



# The Influence of Organizational Agility and Innovation Culture on Higher Education Competitive Advantage in the Era of Disruption and Educational Globalization with Organizational Adaptability as a Mediating Variable

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Received: 23/02/2026

Accepted: 16/04/2026

Published: 30/06/2026

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## ABSTRACT

*This study aims to analyze the influence of organizational agility and innovation culture on higher education competitive advantage in the era of disruption and educational globalization, with organizational adaptability serving as a mediating variable. The research is driven by intensifying global competition, rapid digital transformation, and the increasing demand for universities to respond effectively to dynamic and uncertain environmental changes. Higher education institutions must strengthen their internal capabilities to sustain and enhance competitive advantage in a complex global landscape. A quantitative approach using Structural Equation Modeling–Partial Least Squares (SEM-PLS) was employed. Primary data were collected through questionnaires distributed to 299 lecturers from higher education institutions in Kendari, selected using purposive sampling. The analysis involved evaluation of the measurement model (outer model) to assess validity and reliability, and the structural model (inner model) to test hypothesized relationships and the mediating role of organizational adaptability. The results indicate that organizational agility and innovation culture have positive and significant effects on both organizational adaptability and higher education competitive advantage. Organizational adaptability also has a positive and significant effect on competitive advantage and significantly mediates the relationship between organizational agility, innovation culture, and competitive advantage. The coefficient of determination demonstrates that the model has strong predictive power. These findings highlight the importance of strengthening organizational agility and fostering a sustainable innovation culture to enhance adaptability and maintain competitive advantage in higher education institutions.*

**Keywords:** *Innovation Culture, Competitive Advantage, Higher Education, Organizational Agility, Organizational Adaptability.*

## I. INTRODUCTION

Organizational agility has become a crucial factor in determining institutional performance in the era of disruption and educational globalization. According to Freeman (1984), organizations must continuously adapt to dynamic environmental changes to sustain their strategic position. In the context of higher education, organizational agility reflects the ability of universities to respond quickly to technological change, global competition, and shifting stakeholder expectations. Institutions that are agile are better positioned to maintain relevance and long-term competitiveness.

Innovation culture also plays a strategic role in building sustainable competitive advantage. As emphasized by Kotler and Keller (2016), value creation and differentiation are central to achieving competitive positioning. In higher education institutions, an innovation-oriented culture encourages creativity, knowledge development, research productivity, and adaptive learning systems, all of which strengthen institutional distinctiveness.

Competitive advantage refers to an institution's ability to create superior value compared to competitors through unique resources and capabilities. Meanwhile, organizational adaptability represents the capacity to adjust structures, strategies, and processes in response to environmental changes. As noted by Budiardjo (2015), institutional effectiveness depends on responsiveness and alignment with stakeholder expectations. In higher education, adaptability bridges internal capabilities and external demands.

This study aims to analyze the influence of organizational agility and innovation culture on higher education competitive advantage, with organizational adaptability as a mediating variable among universities in Kendari. The

findings are expected to contribute to strategic management and higher education literature, as well as provide practical recommendations for strengthening institutional competitiveness in the era of disruption and globalization.

## II. LITERATURE REVIEW

### 2.1 Organizational Agility

Organizational agility reflects an institution's ability to respond quickly, flexibly, and effectively to environmental changes. According to Doz and Kosonen (2010), strategic agility refers to an organization's capacity to continuously adjust its strategic direction and renew its core capabilities in dynamic environments. Similarly, Sambamurthy, Bharadwaj, and Grover (2003) define organizational agility as the ability to sense environmental changes and respond rapidly through flexible processes and innovative actions. In higher education, organizational agility is essential to address technological disruption, regulatory shifts, globalization of education, and evolving stakeholder expectations.

In the context of universities, organizational agility emphasizes responsiveness in academic governance, curriculum development, research management, and digital transformation. Agile higher education institutions are capable of redesigning learning systems, adopting new technologies, and forming strategic collaborations to maintain relevance and competitiveness. This aligns with the view of Teece (2018), who highlights dynamic capabilities as the organization's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments.

The indicators of organizational agility generally include three main dimensions: sensing capability, decision-making speed, and implementation flexibility. Sensing capability refers to the institution's ability to identify opportunities and threats in its external environment. Decision-making speed reflects how quickly leaders formulate and implement strategic decisions. Implementation flexibility indicates the organization's capacity to adjust structures, processes, and resources efficiently. These dimensions collectively determine how effectively a university adapts and sustains its competitive position in the era of disruption and educational globalization.

### 2.2 Innovation Culture

Innovation culture refers to the shared values, beliefs, norms, and practices within an organization that encourage creativity, experimentation, and continuous improvement. According to Schein (2010), organizational culture consists of basic assumptions and shared values that shape how members perceive, think, and act within an institution. In this context, an innovation culture fosters openness to new ideas, risk-taking, collaboration, and learning from failure. Furthermore, Hurley and Hult (1998) emphasize that a strong culture of innovation enhances an organization's capacity to generate and implement new ideas, thereby improving performance and competitiveness.

In higher education institutions, innovation culture is reflected in the encouragement of research productivity, curriculum renewal, digital learning development, interdisciplinary collaboration, and partnerships with industry and global institutions. Universities that cultivate an innovation-oriented environment tend to be more adaptive and proactive in responding to technological disruption and globalization pressures. As noted by Tidd and Bessant (2018), innovation is not only about new products or services but also involves new processes, organizational methods, and strategic approaches that create added value.

The indicators of innovation culture generally include leadership support for innovation, openness to new ideas, knowledge sharing, collaborative work climate, and tolerance for calculated risk-taking. Leadership support is demonstrated through policies and resource allocation that encourage innovation initiatives. Openness to new ideas reflects the institution's willingness to explore alternative approaches. Knowledge sharing and collaboration facilitate collective learning, while tolerance for risk enables experimentation without excessive fear of failure. Together, these dimensions shape a sustainable innovation culture that strengthens higher education competitive advantage in the era of disruption and educational globalization.

### 2.3 Organizational Adaptability

Organizational adaptability refers to an institution's ability to adjust its structures, strategies, processes, and resources in response to environmental changes. According to Teece (2018), organizational adaptability is closely related to dynamic capabilities, which enable organizations to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. Similarly, Burns and Stalker (1961) emphasize that organizations operating in dynamic environments must adopt flexible and organic structures to remain effective and competitive.

In the context of higher education, organizational adaptability reflects a university's capacity to revise academic policies, redesign curricula, adopt digital technologies, and adjust governance mechanisms in response to regulatory changes, technological disruption, and global competition. Adaptive institutions are better positioned to maintain institutional relevance, improve academic quality, and strengthen stakeholder trust. Adaptability serves as a bridge between internal organizational capabilities and external environmental demands.

The indicators of organizational adaptability generally include strategic flexibility, structural adjustment capability, learning orientation, and responsiveness to environmental change. Strategic flexibility refers to the ability to modify institutional goals and priorities when necessary. Structural adjustment capability reflects the capacity to reorganize systems and workflows efficiently. Learning orientation indicates openness to feedback and continuous improvement, while responsiveness demonstrates timely reactions to external opportunities and threats. Collectively, these dimensions determine the extent to which higher education institutions can sustain competitive advantage in the era of disruption and educational globalization.

## 2.4 Higher Education Competitive Advantage

Higher education competitive advantage refers to a university's ability to achieve and sustain superior performance compared to other institutions through unique resources, capabilities, and strategic positioning. According to Porter (1985), competitive advantage arises when an organization creates greater value than its competitors through differentiation or cost leadership. In the context of higher education, competitive advantage is reflected in academic excellence, institutional reputation, research productivity, innovation capacity, and graduate employability.

From a resource-based perspective, Barney (1991) argues that sustainable competitive advantage is achieved when organizations possess valuable, rare, inimitable, and non-substitutable (VRIN) resources. For universities, such resources may include qualified faculty members, strong research culture, advanced technological infrastructure, effective governance, and extensive academic networks. These strategic assets enable institutions to deliver high-quality education and generate societal impact.

In the era of disruption and educational globalization, competitive advantage also depends on a university's ability to innovate, collaborate internationally, and adapt to digital transformation. The indicators of higher education competitive advantage generally include institutional reputation, quality of teaching and learning, research and publication performance, stakeholder satisfaction, graduate competitiveness in the labor market, and strategic partnerships. Institutional reputation reflects public trust and recognition; teaching and research quality demonstrate academic excellence; stakeholder satisfaction indicates perceived value; while partnerships enhance global visibility and resource access. Together, these dimensions determine a university's ability to maintain a sustainable competitive position in an increasingly competitive global education landscape.

## 2.5 Conceptual Framework and Research Hypotheses

The conceptual framework of this study examines the relationships among Organizational Agility, Innovation Culture, Organizational Adaptability, and Higher Education Competitive Advantage in the era of disruption and educational globalization. It is grounded in the perspective that the ability of higher education institutions to remain competitive depends on their internal strategic capabilities and their capacity to respond effectively to dynamic environmental changes.

Organizational Agility and Innovation Culture are positioned as independent variables that influence Higher Education Competitive Advantage, both directly and indirectly. Organizational Adaptability functions as a mediating variable that explains how agility and innovation culture enhance an institution's ability to adjust its strategies, structures, and processes in response to technological disruption, regulatory change, and global competition. Increased adaptability is expected to strengthen institutional performance and sustain competitive advantage.

Through this framework, the study seeks to determine whether Organizational Agility and Innovation Culture have a direct effect on Higher Education Competitive Advantage, as well as an indirect effect through Organizational Adaptability among higher education institutions in Kendari. The model emphasizes that competitive advantage in higher education is not only shaped by internal agility and innovative values but also by the institution's capacity to adapt strategically to an increasingly complex and competitive global environment.

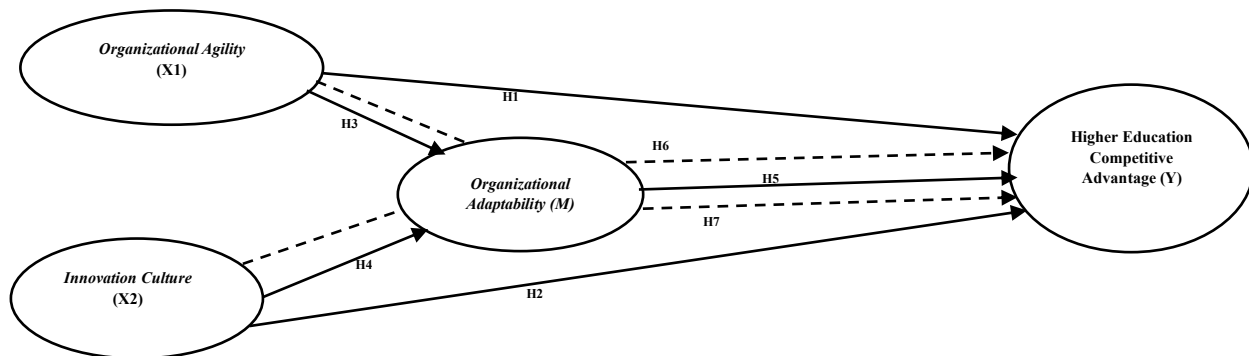


Figure 2.1. Conceptual Framework for the Research

## 2.6 Research Hypothesis

**H1:** Organizational Agility has a significant effect on Higher Education Competitive Advantage in Kendari.

**H2:** Innovation Culture has a significant effect on Higher Education Competitive Advantage in Kendari.

**H3:** Organizational Agility has a significant effect on Organizational Adaptability in Kendari.

**H4:** Innovation Culture has a significant effect on Organizational Adaptability in Kendari.

**H5:** Organizational Adaptability has a significant effect on Higher Education Competitive Advantage in Kendari.

**H6:** Organizational Agility has a significant effect on Higher Education Competitive Advantage through the mediation of Organizational Adaptability in Kendari.

**H7:** Innovation Culture has a significant effect on Higher Education Competitive Advantage through the mediation of Organizational Adaptability in Kendari

## III. RESEARCH METHOD

This study was conducted at higher education institutions in Kendari to examine the relationships among Organizational Agility, Innovation Culture, Organizational Adaptability, and Higher Education Competitive Advantage.

The research employed a quantitative approach and was carried out over approximately six months. The population consisted of lecturers from higher education institutions in Kendari. A total of 299 respondents were selected using purposive sampling based on predetermined criteria, such as active lecturer status and involvement in academic and institutional development activities.

The study includes two independent variables (Organizational Agility and Innovation Culture), one mediating variable (Organizational Adaptability), and one dependent variable (Higher Education Competitive Advantage). Data were collected using structured questionnaires measured with a five-point Likert scale (1 = strongly disagree to 5 = strongly agree), supported by relevant institutional documentation and secondary data related to academic performance and institutional development.

Data analysis was conducted using descriptive and inferential statistical methods through Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS software. The analysis evaluated both the measurement model (outer model) to assess validity and reliability, and the structural model (inner model) to examine direct and indirect relationships among variables. Model quality was assessed using R-square and Q-square values, while hypothesis testing was performed through bootstrapping at a 5 percent significance level to determine the significance of the relationships and the mediating role of Organizational Adaptability.

## IV. RESEARCH RESULT AND DISCUSSION

### 4.1 Research Result

**Table 4.1. Direct Effect**

Relationship Between Variables	Path Coefficient ( $\beta$ )	T-Statistic	P-Value	Description
Organizational Agility → Higher Education Competitive Advantage	0,382	5,74	0,000	Significant
Innovation Culture → Higher Education Competitive Advantage	0,417	6,12	0,000	Significant
Organizational Agility → Organizational Adaptability	0,548	7,85	0,000	Significant
Innovation Culture → Organizational Adaptability	0,463	6,97	0,000	Significant
Organizational Adaptability → Higher Education Competitive Advantage	0,529	8,34	0,000	Significant

Based on the results of the structural model analysis using PLS-SEM, all direct relationships among variables show positive and significant effects.

Organizational Agility has a positive and significant effect on Higher Education Competitive Advantage with a path coefficient ( $\beta$ ) of 0.382, a T-statistic of 5.74, and a p-value of 0.000. This indicates that the higher the level of organizational agility, the stronger the competitive advantage achieved by higher education institutions in Kendari. Institutions that are responsive, flexible, and quick in decision-making tend to maintain superior performance in a competitive academic environment. Innovation Culture also has a positive and significant effect on Higher Education Competitive Advantage ( $\beta = 0.417$ ;  $T = 6.12$ ;  $p = 0.000$ ). This finding suggests that fostering creativity, knowledge sharing, and openness to new ideas contributes directly to strengthening institutional competitiveness.

Furthermore, Organizational Agility significantly influences Organizational Adaptability ( $\beta = 0.548$ ;  $T = 7.85$ ;  $p = 0.000$ ), indicating that agile institutions are more capable of adjusting their strategies and structures to environmental changes. Innovation Culture also significantly affects Organizational Adaptability ( $\beta = 0.463$ ;  $T = 6.97$ ;  $p = 0.000$ ), showing that a supportive innovation climate enhances adaptive capacity.

Finally, Organizational Adaptability has a positive and significant effect on Higher Education Competitive Advantage ( $\beta = 0.529$ ;  $T = 8.34$ ;  $p = 0.000$ ). This demonstrates that the ability to adapt strategically plays a crucial role in sustaining competitive advantage in the era of disruption and educational globalization.

**Table 4.2. Indirect Effect**

Construct	Indirect Effect	P-Value	Direct Effect	Mediation Effect	Type of Mediation
Organizational Agility → Organizational Adaptability → Higher Education Competitive Advantage	0,290	0,000	0,382	5,36	Partial Mediation
Innovation Culture → Organizational Adaptability → Higher Education Competitive Advantage	0,245	0,000	0,417	4,98	Partial Mediation

Based on the mediation analysis results, Organizational Adaptability significantly mediates the relationship between Organizational Agility and Innovation Culture on Higher Education Competitive Advantage.

The indirect effect of Organizational Agility on Higher Education Competitive Advantage through Organizational Adaptability is 0.290 with a p-value of 0.000 and a T-statistic of 5.36. This indicates that Organizational Agility enhances competitive advantage not only directly but also indirectly by strengthening Organizational Adaptability. Since the direct effect ( $\beta = 0.382$ ) remains significant alongside the significant indirect effect, the mediation is classified as partial mediation. This suggests that adaptable institutional structures and strategies strengthen the impact of agility on competitive positioning.

Similarly, the indirect effect of Innovation Culture on Higher Education Competitive Advantage through Organizational Adaptability is 0.245 with a p-value of 0.000 and a T-statistic of 4.98. The direct effect of Innovation Culture on Competitive Advantage ( $\beta = 0.417$ ) also remains significant. Therefore, Organizational Adaptability partially mediates this relationship. This finding implies that an innovation-oriented culture contributes more effectively to competitive advantage when it enhances the institution's adaptive capacity. Overall, the results confirm that

Organizational Adaptability plays a strategic mediating role in strengthening the influence of Organizational Agility and Innovation Culture on Higher Education Competitive Advantage in Kendari.

#### 4.2 Discussion

The findings indicate that Organizational Agility has a significant relationship with Higher Education Competitive Advantage. This suggests that universities with higher levels of agility reflected in their ability to respond quickly to environmental changes, make timely decisions, and implement strategic adjustments are more likely to achieve stronger competitive positions in the era of disruption and educational globalization. The magnitude of this influence may vary depending on how effectively institutions integrate agile practices into their academic and managerial systems.

Innovation Culture also demonstrates a significant effect on Higher Education Competitive Advantage. Universities that foster creativity, knowledge sharing, openness to new ideas, and leadership support for innovation tend to enhance their institutional performance and differentiation. A strong innovation-oriented culture strengthens academic quality, research output, and institutional reputation, which ultimately contribute to sustainable competitive advantage.

The study further confirms that Organizational Agility and Innovation Culture significantly influence Organizational Adaptability. Institutions that are agile and innovation-driven are better able to adjust their strategies, structures, and processes in response to technological advancements, regulatory changes, and global competition. In turn, Organizational Adaptability has a significant effect on Higher Education Competitive Advantage, indicating that adaptive capacity plays a crucial role in maintaining institutional sustainability and competitiveness.

Mediation analysis reveals that Organizational Adaptability partially mediates the relationships between Organizational Agility and Innovation Culture with Higher Education Competitive Advantage. This means that agility and innovation culture influence competitive advantage both directly and indirectly through enhanced adaptability. Overall, the results emphasize that strengthening organizational agility, fostering an innovation culture, and enhancing adaptability are key strategies for sustaining competitive advantage in higher education institutions in the era of disruption and globalization.

## V. CONCLUSION AND SUGGESTIONS

### 5.1 Conclusion

Based on the results and discussion, this study concludes that Organizational Agility has a significant relationship with Higher Education Competitive Advantage, indicating that higher levels of agility contribute to stronger institutional competitiveness in the era of disruption and educational globalization. Universities that are able to respond quickly to environmental changes, implement strategic decisions effectively, and adjust organizational processes tend to achieve better competitive positioning.

The findings also show that Innovation Culture has a significant effect on Higher Education Competitive Advantage, confirming that institutions with strong support for creativity, knowledge sharing, and continuous improvement are more capable of sustaining long-term competitiveness. An innovation-oriented environment strengthens academic performance, institutional reputation, and strategic differentiation.

Furthermore, the results demonstrate that both Organizational Agility and Innovation Culture significantly influence Organizational Adaptability. This indicates that agile structures and an innovation-driven culture enhance the institution's ability to adjust strategies, systems, and resources in response to dynamic environmental demands. In turn, Organizational Adaptability has a significant effect on Higher Education Competitive Advantage, highlighting its critical role in sustaining institutional excellence.

Mediation analysis reveals that Organizational Adaptability partially mediates the relationships between Organizational Agility and Innovation Culture with Higher Education Competitive Advantage. This means that the influence of agility and innovation culture on competitive advantage occurs both directly and indirectly through improved adaptability. Overall, the findings emphasize that strengthening organizational agility, fostering a sustainable innovation culture, and enhancing adaptability are essential strategies for maintaining competitive advantage in higher education institutions in Kendari.

### 5.2 Suggestions

This study recommends strengthening Organizational Agility in higher education institutions in Kendari to enhance Higher Education Competitive Advantage. Efforts should focus on improving strategic responsiveness, decision-making speed, flexibility in academic management, and the ability to adapt to technological advancements and global educational trends. Enhancing institutional agility will enable universities to respond effectively to environmental changes in the era of disruption.

In addition, fostering a strong Innovation Culture is highly recommended, as it significantly influences both Organizational Adaptability and Competitive Advantage. Universities should encourage creativity, knowledge sharing, research collaboration, and openness to new ideas through supportive leadership, innovation-based policies, and adequate resource allocation. An innovation-oriented environment will strengthen institutional differentiation and long-term sustainability.

Improving Organizational Adaptability should also become a strategic priority, as it plays a mediating role in enhancing competitive advantage. Universities are encouraged to continuously evaluate their structures, systems, and academic strategies to ensure alignment with global developments. Strengthening adaptive capacity can be achieved through digital transformation, capacity building, and continuous institutional learning.

Synergy between agility, innovation culture, and adaptability is essential to achieve sustainable competitive advantage in higher education institutions. Periodic performance evaluations and strategic reviews are recommended to ensure institutional alignment with globalization demands and quality standards.

Future research is encouraged to expand the sample to other regions or provinces to improve generalizability. Researchers may also include additional variables such as leadership style, digital transformation, organizational learning, or institutional reputation. Longitudinal or mixed-method approaches are recommended to provide deeper insights into the dynamic relationship among organizational agility, innovation culture, adaptability, and competitive advantage over time.

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