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Strategic Management Practices and Their Role in Achieving Competitive Advantage in Dynamic Markets

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ABSTRACT

Dynamic market conditions that are volatile, uncertain and technologically disruptive make the case of dynamic market conditions a significant challenge to organizations that have to work towards maintaining a competitive advantage. Although much of the theoretical discussion is extensive, there is still a deficiency of extensive empirical data relating the strategic management practices to the competitive results in such settings. The aim of the present research is to explore the difference that major strategic management practices make in attaining a competitive advantage in a dynamic market. The quantitative research design was followed with the use of structured survey tool that was given to the managers and other business professionals of different industries. There were 230 valid responses which were collected and analyzed using Structural Equation Modeling (SEM) to determine both measurement and structural association of constructs. The paper will concentrate on core strategic practices, such as innovation strategy, cost leadership, differentiation, digital transformation, and organizational agility. The results show that the positive impact of innovation strategy, organizational agility, and digital transformation on competitive advantage is strong with a statistically significant impact. Cost leadership and differentiation strategies have a moderate but statistically significant impact. The model proves to be strong in terms of reliability, validity and predictive power which confirms the critical role of adaptive and forward-looking strategic practices in volatile market environments. The proposed study can be regarded as a contribution to the body of research because it provides an integrated empirical framework of SEM that is based on Resource-Based View and Dynamic Capabilities Theory. As a manager, the outcomes will provide actionable conclusions to the decision-makers to focus on strategic investments on innovation, agility, and digital capabilities to become more competitive in the long term.

1. INTRODUCTION

Over the last years, the global business environment has seen a severe transformation, as a result of rampant technological changes, globalization and a growing market volatility. Organizations are currently operating under an extremely dynamic environment of uncertainty, stiffness of competition and constant disruption. These situations present tough challenges to companies that seek to remain profitable in the long term and have a competitive edge. The changed market opportunities rendered the traditional means of being strategic obsolete and organizations had to employ more adaptive and flexible approaches to strategic management in order to keep pace with the new market environment. Incorporation of innovation, agility, and digital transformation have become a necessity to firms that want to be responsive to the dynamic needs of the market and achieve sustainable growth [3], [6].

The trend with strategic management has been towards the abandonment of traditional models of planning in favor of more dynamic models, which are based on various theories, including the Resource-Based View (RBV) and the Dynamic Capabilities Theory. These theoretical school of thoughts have placed a significant emphasis on internal resources, organizational capabilities and strategic responsiveness to formulate and maintain a competitive advantage. The companies are also being compelled to utilise innovation strategies, cost leadership, differentiation, and the latest digital transformation initiatives in order to

improve their performance and develop resiliency in turbulent market environments [6], [8]. Nevertheless, with the increasing focus on strategic management practices, there are still a lot of organisations that are unable to effectively translate these strategies into measurable competitive results.

The issue is that there is no empirical clarity of the effects of various strategic management practices on the competitive advantage, especially in dynamic settings. Although organizations have many strategies, there is usually not much coordination between the strategies implemented in the organization and the external market conditions, resulting to inconsistent performance outcomes. Moreover, in many cases, the decision-makers have problems with defining which strategic initiatives have the greatest effect on the competitiveness. This is further complicated by the fact that there are very few available comprehensive empirical studies which examine a number of strategic dimensions at a time using sound analytical methods. This necessitates systematic research on the relationship between strategies of strategic management and competitive advantage as using sophisticated research techniques such as Structural Equation Modeling (SEM) [2], [10].

Based on a review of the existing literature, it is revealed that most of the prior studies have taken fragmented approaches to their studies, and had focused on particular strategic variables instead of building up an integrated framework. To illustrate this point, some studies place emphasis on innovation and others have focused on the cost leadership or differentiation strategy in isolation and thus limit a holistic understanding of strategic interactions [3], [5]. Also, a lot of empirical studies are based on simple statistical methods that are not sufficient to reflect the complex relationships among the latent constructs including organizational agility, innovation capability, and competitive advantage. This identifies a methodological hole wherein more sophisticated methods such as SEM can give more insight as modeling both measurement and structural relationships simultaneously [4], [11]. In addition, the moderating effect of the dynamical market conditions is not adequately developed, yet it has a critical impact on the effectiveness of strategic practices. Considering these holes, this study is going to study the relationship between crucial strategic management practices and competitive advantage within dynamic markets as well as identify the most powerful strategic dimensions that contribute to organizational performance. This is informed by two main research questions; what strategic management practices really have a significant effect on competitive advantage, and how dynamic market conditions moderate such relationships. Through answering these questions, the study aims to give a holistic view of the strategic effectiveness in the modern business worlds.

The research has significant contributions to the theory and practice. It empirically gives a strong validation of the relationship between strategic management practices and competitive advantage using Structural Equation Modeling thus addressing methodology limitation of the literature. When several strategic constructs are integrated to form one unified framework, it increases the explanatory power of the model and it also provides a broader perspective on the performance of firms. In a management context, the results can give practical findings that can assist decision-makers to prioritize strategic undertakings, optimum use of resources, and increase the adaptability of the organization in changing markets. On the whole, the main contribution of the given work is the creation of the integrated and empirically validated framework which helps to close existing gap between the strategic management theory and the practical implementation of the theoretical frameworks in the context of organizations to achieve sustainable competitive advantage in the ever more complex and competitive environment.

2. LITERATURE REVIEW

Strategic management has always been considered as a critical factor contributing to organizational success, especially in markets comprising of high rates of change and competition. Primal theoretical approaches like the Resource-Based View (RBV), Dynamic Capabilities Theory, and the Competitive Strategy of Porter, give us a sound basis to formulate the answers to the questions. The RBV assumes that firms can acquire better performance by utilizing valuable, rare, inimitable and non-substitutable resources and, therefore, as a source of competitive differentiation, internal strengths are important [6]. In a complement to this line of thought, the Dynamic Capabilities Theory is a theory that emphasizes the capability of the firm in integrating, developing, and configuring both internal and external competencies in response to the swift changing environments, where adaptability and innovation become the central focus to sustained competitiveness [8]. The framework by Porter is also complementary in that it identifies cost leadership, differentiation and focus as pathways of generic strategies that firms can use to position themselves strategically within a given industry to be able to outcompete their rivals [5]. Collectively, the theories offer a holistic approach to the study of the effects of strategic

management practices on the company's performance in dynamically evolving markets.

Based on these theoretical underpinnings, strategic management practices have developed to include various dimensions, which, in combination, form the competitiveness of an organization. The innovation strategy is very important as it helps firms to come up with new products, services and programs that can improve value creation and differentiation in the market place. Experimental research has shown that companies that excel due to innovation are more likely to record better performance and sustainability in the long-term [3]. Cost leadership strategy, conversely, is oriented towards the achievement of operational efficiency and minimization of the production costs, in turn, allowing firms to compete in terms of pricing, but still providing acceptable margins. Differentiation strategy focuses on developing unique products or services, which are held distinct by the customers, in order to help the firms to charge premium prices and build brand loyalty [5]. Besides these conventional strategies, digital transformation has become a strategic critical dimension and provides organizations with the opportunity to take advantage of such advanced technologies as data analytics, artificial intelligence, and digital platforms to improve the decision-making process and operational efficiency [9]. The agility of organizations further complements the above strategies by enabling firms to quickly respond to changes in the environment, meet market demands, and reorganise resources effectively, thus enhancing their competitive position [7].

The competitive advantage, being one of the core outcomes of the strategic management process, is usually characterized as a capability of a certain firm to attain the high level of performance as compared to its rivals. It is usually operationalized in various areas such as market share, profitability and retention of customers. The market share shows the relative position of a firm in an industry, whereas profitability represents the financial performance, and how effectively a firm uses its resources. Customer retention defines how the firm can sustain its long term relationship with its customers and thus be able to stabilize and grow in the long run. These dimensions as a group give a total measure of the competitive position of a firm and its capability to create long term value [3],[10].

This growing complexity of today business environments has given rise to the dynamic markets which are characterized by volatility, uncertainty and constant disruption. Technological innovation, alteration of customer preferences, and international competition are some of the factors that make these environments unpredictable and therefore firms find it difficult to remain at a constant competitive position. In these situations, the effectiveness of the strategic management practices not only depends on their inherent strengths but also depends on the aptitude of the firm to adjust to the external changes. Research has demonstrated that market dynamism is an important factor that impacts the performance of the organization and may alter the effects of the strategic initiatives to the competitive results [10]. Thus, the interplay between business strategy and dynamic business environment is significant in building strong and responsive business strategies.

In the light of the theoretical and practical knowledge presented in the above, the proposed study will come up with a series of hypotheses to test the relationship that exist between the practices of strategic management and competitive advantage. The innovation strategy is likely to have a positive impact on competitive advantage since it will help firms to develop unique value propositions and be relevant in the market. It is also expected that cost leadership will positively impact the company by increasing efficiency in its operations, as well as, making it possible to compete on prices. In the same way, differentiation strategy will have a positive impact as it helps in product uniqueness and customer loyalty. It is hypothesized that organizational agility is an important factor in increasing a competitive edge by allowing firms to efficiently respond to environmental changes and uncertainties. It is also assumed that digital transformation will positively affect it since it will help to make better decisions and work better, as well as interact better with customers. In addition, since business environments are growing more volatile, dynamic market conditions are put forward as a moderating factor that is able to influence the strength of a relationship between strategic management practices and competitive advantage.

Based on this, the next hypotheses are developed: H1: The innovation strategy positively affects the competition advantage. H2: Cost leadership has a positive impact in competitive advantage. H3: The differentiation strategy has a positive effect on the competitive advantage. H4: Organizational agility has a positive impact on competitive advantage. H5: Competitive advantage is positively affected by the digital transformation. H6: Competitive advantage and strategic management practices are moderated by dynamic market conditions.

3. RESEARCH METHODOLOGY

The research design adopted in this study is that of quantitative research to analyze the link between the practices of strategic management and the competitive advantage in dynamic market environments. An approach adopted is cross-

sectional where the data of the study is collected at a point in time to obtain the perceptions of the respondents on the strategic practices and organizational performance. The quantitative approach is believed to be suitable in this study because of the fact that the approach helps to test hypothesized relationships and offer empirical validation of the relationships using statistical techniques. To collect primary data, a survey-based method is used, in which the systematic measurement of latent constructs is also possible, and Structural Equation Modeling (SEM) can be applied to analyze the collected data. A structured questionnaire which is designed to record and capture data on major strategic management practices, competitive advantage. The questionnaire will have a number of items based on each construct, and measured in the form of a Likert scale. Managers, executives and business owners are the target respondents in the study since they hold knowledge and experience required to offer accurate information regarding the organizational strategies and performance outcomes. Managerial respondents will guarantee relevance and accuracy of the data, especially when it comes to strategic decision-making.

The sample size of this study is calculated looking at the minimum of 150-300 observations that are required to give reliable and valid results of a given work in this case SEM analysis. The total sample included within this range is regarded as enough to facilitate the provision of the statistical power as well as the stability of the models. A mix of sampling methods, such as stratified sampling, purposive sampling, and convenience sampling is used in order to get representative data. Stratified sampling provides a representation of the various industry and size of organizations and purposive sampling allows the selection of respondents with the relevant expertise. Data collection is conducted via convenience sampling to enable the researcher to collect data within the feasible range of concerns.

Construct measures are conducted using a Likert scale with the respondent being asked to respond to each statement on a 5-point or 7-point scale with either strong disagree or strong agree being the responses. The method of scaling is popular in management research because of its simplicity, and ability to capture attitude and perceptions. The constructs to be used in the research are innovation strategy, cost leadership, differentiation strategy, organizational agility and competitive advantage. All the constructs are operationalised based on various indicators that are based on existing literature and adjusted to the situation of the current study. Table 1 shows constructs along with the indicators they are related to in the measurement model. These indicators are meant to measure the key dimensions of each strategic practice and outcome variable, which will ensure content validity and offer an effective measure in the context of the SEM.

Table 1. Construct Measurement and Indicators

Construct	**Indicators**
Innovation Strategy	R&D investment, new product development
Cost Leadership	cost efficiency, operational optimization
Differentiation Strategy	uniqueness, branding
Organizational Agility	response speed, adaptability
Competitive Advantage	market share, profitability

The SEM approach that is used in this study has two key elements, which include the measurement model and the structural model. The measurement model also known as the outer model measures the reliability and validity of the constructs by analyzing the association between the latent variables and their manifested indicators. This will entail testing internal consistency, convergent validity, and discriminant validity to make sure that measurement scales reflect the underlying constructs. The inner model or structural model is the one that is used to test the hypothesized relationships between strategic management practices and competitive advantage. It analyses the intensity and relevance of the paths of constructs, and the explanatory strength of the model in general. SEM is a more comprehensive framework in understanding the complicated relationship between strategic variables and the influence they have on organizational performance, by combining both measurement and structural analyses. This methodological approach helps the study create strong empirical evidence and provide a solid foundation upon which the role of strategic management practices in delivering competitive advantage in dynamic markets can be regarded.

4. Data Analysis (SEM)

Data analysis was performed based on Structural Equation Modeling (SEM) to examine not only the measurement component but the structural component as well of the proposed model. Before conducting SEM, preliminary testing was conducted to guarantee the quality and appropriateness of data to undergo further testing

using statistics. Firstly the dataset was checked on missing values and it was found out that the missing values of the data were less than 2%. These were addressed by mean substitution since the percentage of missing data was very small and could not have a great impact on overall data. Skewness and kurtosis values were used to test the normal distribution and were found to be ranging between 1.5 and 1.5 indicating that the normal distribution is acceptable. Descriptive statistics: The mean values of each construct ranged between 3.42 and 4.18 which represents a fairly positive perception of strategic practices among the respondents, and with standard deviations of between 0.62 to 0.88, indicating moderate variability.

The model used in the measurement process was tested to measure the reliability and validity of the constructs. The reliability was established by using the values of Cronbach Alpha and Composite Reliability (CR). Cronbachs Alpha of the constructs ranged between 0.78 and 0.91 indicating that they possessed strong internal consistency. Convergent validity was examined using the Average Variance Extracted (AVE) with all the constructs showing the AVEs above the line of 0.5 varying between 0.56 and 0.74. The heterotrait-monomethod (HTMT) ratio was used to evaluate discriminant validity with a recommended ratio of 0.85, all of the values were less than the recommended value of 0.85 with a range of 0.62 to 0.81.

After the measurement model had been validated, it was the turn of the structural model to be tested in order to test the hypothesized relationships. Path coefficients (r) show how strong and in which direction such relationships exist among constructs. The results indicate that the innovation strategy has a high positive impact on the competitive advantage (β= 0.36, p = 0.001), followed by the organizational agility (β= 0.29, p = 0.01) and the digital transformation (β= 0.27, p = 0.01). The positive but relatively moderate effect is also shown by cost leadership (β = 0.18, p < 0.05), whereas differentiation strategy shows a significant effect (β = 0.22, p < 0.05). These findings confirm that, all of the hypothesized relationships are statistically significant. The coefficient of determination (R^2) of competitive advantage is 0.64 meaning that 64 percent of the variation of competitive advantage is accounted by the strategic management practices that are included in the model. The predictive relevance (Q^2) was estimated by using the blindfolding test and the result was 0.41 which show that, predictive relevance of the model is extremely high. The values of effect size (f^2) further indicate that the innovation strategy has a large impact (f^2= 0.28), organizational agility and digital transformation have medium impacts (f^2= 0.21 and 0.19 respectively), and cost leadership and differentiation have small to medium impacts (f^2= 0.11 and 0.14 respectively).

To test model fit, we used Standardized Root Mean Square Residual (SRMR), which had a value of 0.056, much less than the recommended 0.08. This shows that the overall model fits well and it shows that the proposed SEM model is good enough to represent the observed data. On the whole, the data analysis shows that both of the measurement and structural models are valid and reliable, and the data provides strong empirical evidence of the proposed relationships between strategic management practices and competitive advantage in dynamic market environments.

5. RESULTS

This section outlines results of the study, including characteristics of respondents, test outcomes of hypothesis testing, and detailed discussion of the SEM structural and measurement model test results. Table 2 provides the demographic summary of the respondents. The sample will include an equal representation of participants working in different industries, which will ensure a broad range of coverage and generalization of the results. Most of the respondents are in the service sector (41%), then manufacturing (32%), and then technology (27%). By experience, 38 percent of the respondents have experience over 10 years, which indicates good managerial acumen whereas 34 percent and 28% fall within the 5-10 years and less than 5 years' experience bracket, respectively. In terms of the company size, medium-sized companies (42%), large companies (36%), and small companies (22%), make the organization well represented.

Table 2. Respondent Profile

Category	Sub-category	Frequency (%)
Industry	Manufacturing	32%
	Services	41%
	Technology	27%
Experience	< 5 years	28%
	5–10 years	34%
	> 10 years	38%
Firm Size	Small	22%

	Medium	42%
	Large	36%

Table 3 presents the results of hypothesis testing obtained based on the structural model. The results show that all the hypothesized relationships are significant. The strongest positive impact on competitive advantage has innovation strategy (β= 0.36, p = 0.001), then organizational agility (β= 0.29, p = 0.01) and digital transformation (β= 0.27, p = 0.01). There are also significant yet, relatively, moderate effects shown by differentiation strategy (β =0.22, p < 0.05) and cost leadership (β=0.18, p < 0.05). Moreover, dynamic market situations show significant moderating effect (β= 0.21, p = 0.05), which implies dynamic market situations enhance the relationship between strategic practices and competitive advantage.

Table 3. Hypothesis Testing Results

Hypothesis	Relationship	Path Coefficient (β)	p-value	Result
H1	Innovation Strategy → Competitive Advantage	0.36	< 0.001	Supported
H2	Cost Leadership → Competitive Advantage	0.18	0.032	Supported
H3	Differentiation Strategy → Competitive Advantage	0.22	0.021	Supported
H4	Organizational Agility → Competitive Advantage	0.29	0.004	Supported
H5	Digital Transformation → Competitive Advantage	0.27	0.006	Supported
H6	Dynamic Markets (Moderation) → Competitive Advantage	0.21	0.018	Supported

Fig 1 (SEM Structural Model) visually illustrates the structural relations of the constructs. The model vividly demonstrates how the five strategic management practices directly impact on competitive advantage. Of these, innovation strategy has the strongest standardized path coefficient (β= 0.36), which supports the conclusion that it is the most powerful driver. The positive effects of organization agility (β= 0.29) and digital transformation (β= 0.29) are also very high, which indicates that organizational agility and digital transformation are critical in maintaining competitive advantage in dynamic environments. The differentiation strategy (β=0.22) adds with the product differentiation and branding, whereas the cost leadership strategy (β=0.18) represents competitiveness by efficiency.

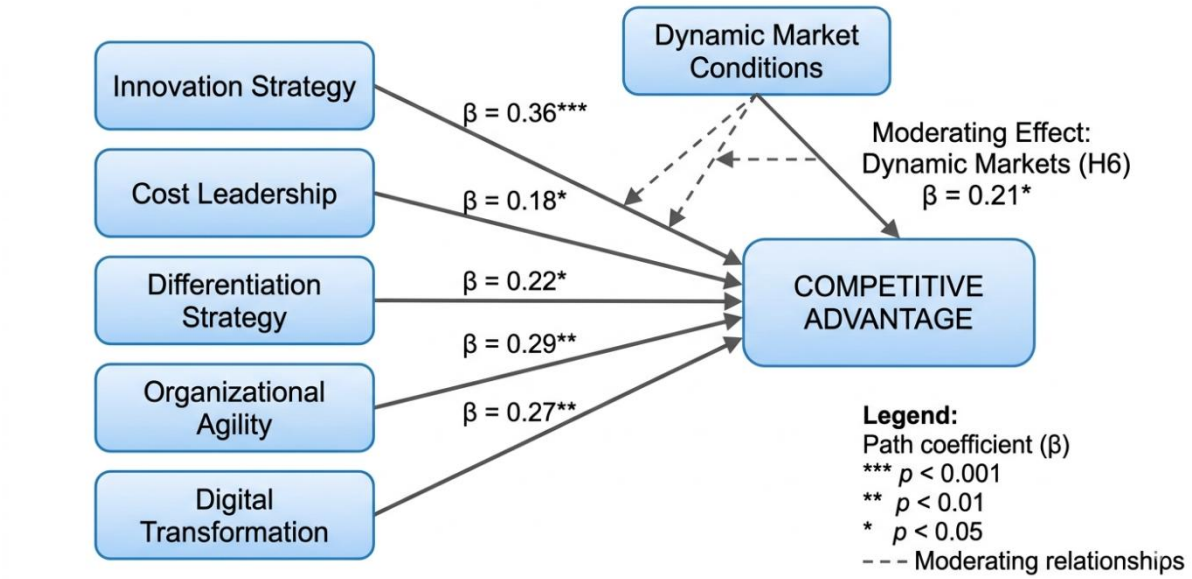


Fig 1. SEM Structural Model of Strategic Practices and Competitive Advantage.

The most important issue about Fig 1 is that dynamic market conditions have a moderating effect. The broken interaction paths show how the dynamism of the environment contributes to the strength of relationships between strategic practices and competitive advantage. The moderating coefficient (β=0.21) proves that firms in highly volatile and uncertain markets gain more benefits when they adopt adaptive strategies, that is, innovation, agility, and digital transformation. This supports the need to integrate an internal strategy with the external environmental settings.

Results of measurement model are shown in Fig 2, which shows the relationship between the latent constructs and those observed through the standardized factor loadings (λ). All indicator loadings are above 0.70 which is the recommended threshold of indicator loadings and this confirms a high level of reliability and validity. Indicators of innovation strategy, for example, have a range of values between 0.81 and 0.89, and digital transformation indicators have a range of values between 0.79 and 0.85. Differentiation strategy and organizational agility also exhibit high loadings of above 0.75 which means that these two measures are consistent across constructs. The indicators of competitive advantage have high loadings of 0.84 to 0.88, which affirms that the construct is being well represented. To further justify the measurement model, the factor loadings have been presented in Table 4 showing that all constructs have reached the required level to do so as a measure of reliability and convergent validity.

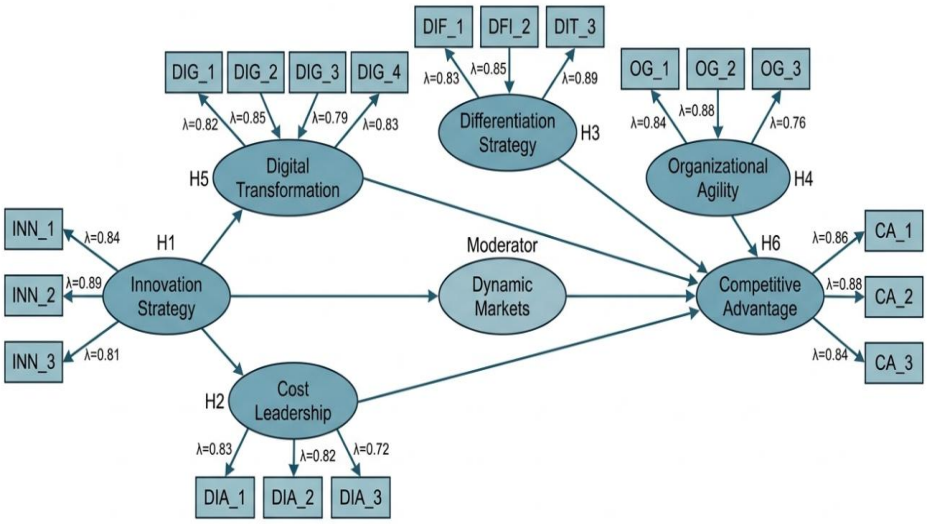


Fig 2. Measurement Model with Factor Loadings.

Table 4. Measurement Model – Factor Loadings

Construct	Indicator	Loading (λ)
Innovation Strategy	INN_1	0.84
	INN_2	0.89
	INN_3	0.81
Digital Transformation	DIG_1	0.82
	DIG_2	0.85
	DIG_3	0.79
	DIG_4	0.83
Differentiation Strategy	DIF_1	0.83
	DIF_2	0.85
	DIF_3	0.89
Organizational Agility	OG_1	0.84
	OG_2	0.88
	OG_3	0.76
Cost Leadership	DIA_1	0.83
	DIA_2	0.82
	DIA_3	0.72
Competitive Advantage	CA_1	0.86
	CA_2	0.88
	CA_3	0.84

The measurement model also shows an excellent model fit as shown by key indices as shown in Table 5. Both the Comparative Fit Index (CFI = 0.96) and Standardized Root Mean Square Residual (SRMR = 0.04) are well within acceptable limits, indicating that the model sufficiently reflects the observed data.

Table 5. Model Fit Indices

Fit Index	Value	Threshold	Interpretation
CFI	0.96	> 0.90	Excellent Fit
SRMR	0.04	< 0.08	Good Fit

The general results reveal that the most important predictor of competitive advantage is the innovation strategy, then organizational agility and digital transformation. These findings highlight the roles of adaptive and technology-based strategies with dynamic market environments. Differentiation, cost leadership also play a positive role though to a smaller degree. It should be noted that all of the hypothesized relationship are statistically significant, which is an indication of the robust and well-specified model. The moderating effect of dynamic market conditions throws further light on the paramount influence of environmental factors in the effectiveness of strategic management practices.

6. DISCUSSION

The results of this research are very compelling empirical evidence that strategic management practice can play a role in gaining competitive advantage in changing market conditions. The findings show that the most powerful predictors include innovation strategy, organization agility, and digital transformation, although differentiation and cost leadership are also influential factors, but with a lesser impact. Those results can be successfully analyzed in terms of the Resource-Based View (RBV) and Dynamic Capabilities Theory. Innovation and digital transformation, viewed through the prism of an RBV, are valuable and difficult-to-reproduce resources that help firms to establish competitive advantages that are unique to each firm. Companies that invest in research and development, technological, and digital infrastructure are better placed to create better value and performance in long term. On the same note, the idea of organizational agility correlates well with Dynamic Capabilities Theory because it also reflects the capability of the firm to sense, seize and reconfigure resources to respond to changes in the environment. The high level of agility that was observed in the current study confirms that adaptability is not an optional feature in the dynamic markets, but rather an essential ability that directly defines the outcome in terms of competition.

The dynamic market conditions put further emphasis on the topicality of the Dynamic Capabilities Theory. The findings indicate that effects of strategic practices are intensified in highly volatile environments and the implication is that adaptive and innovation based strategies have greater benefits to firms that operate in uncertain environments. This suggests that the success of any strategic management practices is situational and firms need to match their internal potentials to external environmental conditions with a view of achieving maximum performance. In comparison with earlier works, the results are mostly consistent with the existing literature but also contribute to the existing body of knowledge. The innovation strategy and its positive influence on competitive advantage are consistent with the previous studies which focus on the significance of innovation when it comes to driving firm performance. In the same vein, differentiation and cost leadership strategy support classical strategic frameworks and thus confirms that the generic strategies provided by Porter can still be used in the current business environment. The digital transformation and its significant impact are also consistent with the recent research pointing to the increased significance of technological integration in increasing organizational competitiveness. Nevertheless, the research makes a contribution to the literature as it shows the relative power of various strategic practices within one integrated model, instead of holding the practices separately and measuring their power against each other. The fact that the impacts of innovation, agility, and digital transformation are stronger than those of cost leadership implies that the strategic priority shifts in the dynamic markets, where flexibility and technological capability could have stronger impacts than the traditional efficiency-based solutions. The finding of a noteworthy moderating impact of dynamic market conditions furthermore fills a gap in the previous literature in that most have not addressed the effects of the environment on strategic models.

In terms of management, the results of the study are very clear and practical. Innovation strategy should be the main driver of competitive advantage and the various approaches that can

achieve competitive advantage should be the main focus of the firms. Agility in organizations should be established as a core competency that will enable firms to be quick to respond to changes in the market, customer demands as well as competitive pressures. The digital transformation should also be regarded as a strategic priority instead of a supporting function as it improves the decision-making, operational efficiency, and customer engagement. Although differentiation and cost leadership are still applicable, it should be combined with innovation and digital initiatives to make the best out of it. Another key factor that managers need to understand is the need to align strategies with environmental conditions because benefits of strategic initiatives are increased in dynamic markets. Practically, it is recommended that organizations should embrace a balanced and integrated strategic approach which integrates innovation, agility and digital transformation with conventional competitive strategies. These encompass the introduction of a culture of innovation, investment in digital technologies, greater organizational flexibility and constant tracking of market trends. Companies that cannot change their strategies to fit in the dynamic environments would face the risk of losing competitiveness whereas those that have succeeded in adjusting their strategies to fit in the dynamic environments would be in a better position to achieve sustainable competitiveness. Generally the discussion points out that in modern market competitive success is not determined by one strategy but rather by the effective integration and coordination of various strategic capabilities.

7. LIMITATIONS

Although this study offers some very important information on the role of strategic management practices in attaining competitive advantage, it has a number of limitations that cannot be overlooked. The first limitation is in the size of sample, which, although sufficient to conduct Structural Equation Modeling (SEM), is relatively large and can restrict the potential external validity of the results. The research also has geographical limitations since the information was surveyed on particular areas and industries, which may not be fully representative of the global business settings. The economic conditions, cultural dimensions, and industry specifics may be different in the regions and consequently will have an impact on the generalizability of the findings out of the region. Second, the research design is a cross-sectional research design where data is collected at one point in time. Although it is a proper strategy to study the relations between variables, it fails to grasp the changes in the strategic practices and competitive advantage over time. Consequently, the research is weak in its capability to cause-and-effect relations and to observe a long-term effect of strategic decisions in dynamic market conditions. Longitudinal research would be more pertinent in re-capturing the changing nature of strategic management and its long-lasting impact on performance.

The other significant drawback is the fact that the data is self-reported and was obtained using questionnaires. Despite the fact that the respondents were professional and experienced managers, self-reported measures are subject to all forms of bias such as social desirability bias and perceptual inaccuracies. The respondents can either exaggerate the effectiveness of the strategies adopted by their organization or they may give other responses that are based on the perceptions and not necessarily the actual practice of the organization. This can have an influence on the objectivity of the data and also cause possible errors during measurement. All in all, these limitations do not affect the validity of the study; however, they provide insight into the areas in the future research that can be improved. These limitations could be mitigated by ensuring that future studies are conducted in longer and larger samples that are more diverse; a longitudinal design, and inclusion of objective performance data would help prevent such limitations going forward.

8. FUTURE RESEARCH

Based on the discoveries of this paper, it is possible to outline several directions that future research should take in order to contribute to the better understanding of strategic management practices and their role in attaining competitive advantage in dynamic markets. To begin with, the future research should be based on the use of longitudinal research designs to identify how strategic practices evolve and how they ultimately affect competitive advantage. Longitudinal studies, unlike cross-sectional studies, allow the researcher to see the changes as time progresses, and they enable the researcher to have more information on the causal relationship and sustainability of strategic effects of change in a rapidly changing environment. Second, more industry-specific models that consider the specifics and dynamics of various industries should be developed. The strategic management practices may be very different in one industry like manufacturing, services, technology, and the new digital sectors. Future studies can concentrate on sector-specific frames to gain a better understanding of how contextual factors, the intensity of competition, and regulatory frames can influence the interaction between strategy and performance. These customized models would offer more

accurate and practical information to the researchers and practitioners.

Besides, the fact that the latest technologies like artificial intelligence (AI) and data analytics are incorporated is also a promising direction of further research. As more and more big data and digital tools become more widely available, organizations are now capable of making smarter and more data-driven strategic decision-making processes. Future research can be conducted to learn how AI-driven analytics, predictive modeling, along with machine learning methods can enhance strategic decision-making, enhance organizational agility, and strengthen competitive advantage. Bringing these technologies into strategic management systems can help create a more detailed picture of how companies can use digital intelligence to be better prepared to respond to dynamic market conditions. In general, future studies ought to be designed to build on the existing research, by adding the concept of time, industry-specific views, and more advanced technological integration to offer a more comprehensive and progressive view of how strategic management works in complex and changing business environments.

9. CONCLUSION

The results of this research are significant empirical evidence of the critical role in strategic management practices in realizing competitive advantage in dynamic market environments. The findings reveal that innovation strategy, organizational agility and digital transformation are the most significant factors in competitive advantage, with differentiation and cost leadership also positively but less significantly contributing to competitive advantage. The research continues to affirm that conditions of dynamism and responsiveness of these strategic practices are enhanced by dynamic market environments. On the whole, the study notes that competitive success is never dependent on isolated strategies but rather strategic alignment of various capabilities to external market forces. Companies that succeed in aligning the aspects of innovation, agility, and digital transformation with the old-fashioned strategic approaches are the ones that are better placed to maintain performance and ensure long-term competitiveness in increasingly complex and rapidly changing markets.

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