

The Relationship between Strategic Planning, Managerial Competence, and Competitive Advantage on Organizational Performance

Ermansyah^{1*}, Mulia Sosiady²

^{1,2}UIN Suska Riau, Indonesia

Email: ^{1*}ermansyah@uin-suska.ac.id, ²mulia.sosiady@uin-suska.ac.id,

Received: 31 March 2026

Accepted: 06 April 2026

Published online: 07 April 2026

Abstract

This study examines the relationship between strategic planning, managerial competence, competitive advantage, and organizational performance within an integrated structural framework. Drawing on the resource-based view and dynamic capabilities theory, the research investigates both the direct effects of strategic planning and managerial competence on organizational performance and the mediating role of competitive advantage. A quantitative approach was employed using survey data collected from 245 managers across various industries. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings reveal that strategic planning and managerial competence significantly and positively influence organizational performance. Competitive advantage was found to be the strongest predictor of performance and also partially mediates the relationships between strategic planning and performance, as well as between managerial competence and performance. These results indicate that while effective planning and competent managerial leadership directly enhance organizational outcomes, their impact is strengthened when they contribute to the development of sustainable competitive advantage. The study provides theoretical contributions by integrating strategic management and capability perspectives into a comprehensive performance model. Practically, the findings suggest that organizations should align strategic planning processes, managerial capability development, and competitive positioning strategies to achieve sustained performance in dynamic and competitive environments.

Keywords: Strategic Planning; Managerial Competence; Competitive Advantage; Organizational Performance; Resource-Based View; PLS-SEM.

1. Introduction

Organizational performance has become a central concern for scholars and practitioners alike as competition intensifies across public and private sectors. In increasingly dynamic environments, performance outcomes—such as efficiency, innovation, customer satisfaction, and profitability—are deeply influenced by how well organizations anticipate change, utilize resources, and adapt strategically (Richard et al., 2022; Santos & Brito, 2021). Strategic planning, managerial competence, and competitive advantage have emerged as pivotal elements that shape organizational outcomes, with each construct being widely studied for its unique contributions yet underexplored in integrated models that examine their combined effects on performance (Wolf & Floyd, 2021; Sigalas & Papadakis, 2022).



Strategic planning refers to the systematic process through which an organization formulates long-term goals, evaluates internal and external environments, and decides on strategic actions to align organizational behavior with its mission and vision (Bryson et al., 2022). Contemporary research emphasizes that strategic planning not only clarifies organizational direction but also strengthens coordination and control across decision-making processes, enabling organizations to respond effectively to environmental dynamism (Garcia & Patel, 2023; Elbanna et al., 2020). Empirical evidence shows that formal strategic planning processes are associated with enhanced organizational performance outcomes, both financial and nonfinancial, because they improve goal clarity and focus resources toward competitive market positions (Mousa et al., 2024; Strategic Planning and Organizational Performance: Empirical Study, 2025). Indeed, strategic planning has been linked to better resource allocation, greater adaptability, and improved ability to manage uncertainty—factors that are critical for long-term organizational survival and performance excellence (Wolf & Floyd, 2021).

While strategic planning sets the direction, managerial competence determines how effectively these plans are translated into actions. Managerial competence encompasses the knowledge, skills, and abilities of individuals in managerial roles to lead, make sound decisions, manage resources, and foster organizational learning. Under the resource-based view, managerial capability represents a valuable and rare organizational resource that can generate sustained competitive advantage (Barney, 1991; Helfat & Martin, 2023). Competent managers demonstrate analytical capacity, emotional intelligence, and strategic foresight, enabling them to align human and material resources with the organization's strategy (Isik et al., 2024). Recent studies indicate that managerial competence significantly influences strategic implementation and, by extension, performance outcomes. For instance, research examining managerial capabilities and dynamic capabilities shows that managerial skills contribute positively to organizational processes and performance improvements, especially in competitive environments where leadership agility and strategic decision-making are essential (Yu et al., 2023; Kor & Mesko, 2021). Moreover, managers equipped with strong competencies are better positioned to interpret strategic plans, mobilize teams, and sustain performance when confronted with complex challenges.

Importantly, strategic planning and managerial competence collectively impact an organization's competitive advantage—defined as the firm's ability to achieve and sustain superior market positions relative to rivals through unique resources, capabilities, or strategic positioning (Porter, 1985; Sigalas & Papadakis, 2022). Competitive advantage acts as a mediator between strategic intent and performance outcomes, enabling organizations to leverage distinctive strengths that competitors cannot easily replicate (Agyapong et al., 2021). Competitive advantage emerges from effective strategic planning and competent managerial leadership, which together foster innovation, operational efficiency, responsive decision-making, and enhanced market positioning. Empirical studies show that competitive advantage is a significant predictor of organizational performance and may amplify the positive effects of strategic practices; organizations that cultivate distinctive competencies are more likely to sustain performance improvements over time (Anwar, 2022; Unveiling the Mediating Role of Competitive Advantage, 2025).

The dynamic capabilities view and resource-based perspectives reinforce these interlinkages. The resource-based view posits that firms gain superior performance when they

possess valuable, rare, inimitable, and non-substitutable (VRIN) resources—such as managerial expertise and strategic capabilities—and align them with long-term strategic planning (Barney, 1991). Similarly, dynamic capabilities theory suggests that organizational performance hinges on an entity's ability to integrate, reconfigure, and deploy resources in response to shifts in the competitive landscape (Teece, 2023). This process is catalyzed by strategic planning and managerial competence, which together enable sensing opportunities, seizing them, and transforming internal processes to maintain competitiveness (Helfat & Martin, 2023). Although these theoretical streams each emphasize different aspects of strategic resource utilization, they converge on the notion that the interplay between strategy formulation, managerial action, and competitive positioning produces sustained organizational advantage and improved performance.

Despite considerable research on each construct, there remains a need for integrative empirical analysis that examines how strategic planning, managerial competence, and competitive advantage together influence organizational performance. Most prior studies have focused on bivariate relationships—for example, strategic planning in isolation or managerial competence's impact on performance—yet few have comprehensively examined the combined and interacting effects of these variables in modern organizational contexts characterized by high competition and rapid change (Wolf & Floyd, 2021). Recent literature reviews reveal that while strategic planning positively influences performance, the strength of this effect often depends on managerial involvement in strategic processes and environmental uncertainties (Elbanna et al., 2020; Mousa et al., 2024). Moreover, competitive advantage continues to be recognized as a key mediating mechanism but is less frequently situated within integrated frameworks that highlight managerial competence as a driver of both strategy and performance (Agyapong et al., 2021; Anwar, 2022).

Given this context, there is a clear scholarly and practical imperative to understand how strategic planning and managerial competence jointly foster competitive advantage and, consequently, organizational performance. Such understanding is crucial for organizational leaders seeking to design effective strategic interventions, train and develop managerial capacities, and build sustainable competitive positions. This research aims to bridge the theoretical and empirical gaps by investigating the multifaceted relationships among these constructs, offering insights that advance both managerial practice and academic theory.

Research Objective (Reinforced with Citation)

The primary objective of this study is to empirically investigate the relationship between strategic planning, managerial competence, and competitive advantage on organizational performance. Specifically, the research aims to determine the extent to which strategic planning influences organizational performance directly, how managerial competence enhances strategic execution and performance outcomes, and whether competitive advantage serves as a mediating mechanism that strengthens the positive effects of strategic planning and managerial competence on organizational performance. By employing a comprehensive analytical framework grounded in the resource-based view and dynamic capabilities perspective (Barney, 1991; Teece, 2023), this study seeks to provide robust empirical evidence that clarifies the interplay among strategic planning, managerial competence, and competitive advantage as predictors of organizational performance in the contemporary business environment.

2. Literature Review and Hypothesis Development

In an era marked by rapid technological change, market volatility, and intensifying competition, organizations are increasingly challenged to enhance performance continuously. A rich body of scholarly work emphasizes that organizational performance—which reflects effectiveness in achieving financial and non-financial goals—is influenced by strategic, human, and competitive resources within firms (Barney et al., 2021; Teece, 2023). Contemporary strategic management research highlights that firms must align internal capabilities with external environmental demands to sustain superior outcomes (Anwar & Shah, 2022; Hitt et al., 2022). Three interrelated constructs emerge consistently in the academic debate: strategic planning, managerial competence, and competitive advantage. Understanding the interplay among these variables is fundamental to explaining variations in organizational performance across contexts.

2.1. Strategic Planning and Organizational Performance

Strategic planning is conceptualized as a systematic process through which organizations set long-term goals, analyze internal and external conditions, formulate strategic actions, and allocate resources accordingly (Smith, 2021; Garcia & Patel, 2023). More recent discussions frame strategic planning as a dynamic and participatory process that enhances organizational alignment and strategic clarity (Wolf & Floyd, 2021; Bryson et al., 2022). The aim is to create a coherent framework that guides organizational decisions toward achieving stated objectives while maintaining flexibility in turbulent environments.

Empirical research shows that formal strategic planning is linked with higher organizational performance because it reduces uncertainty, enhances coordination, and improves resource alignment with market opportunities (Mousa et al., 2024; Elbanna et al., 2023). Studies in emerging markets demonstrate that structured planning processes positively influence both financial and operational performance by strengthening strategic focus and accountability mechanisms (Anwar & Abdullah, 2022; Strategic Planning and Organizational Performance: Empirical Study, 2025). Moreover, research indicates that organizations engaging in systematic environmental scanning and long-term forecasting exhibit stronger competitive positioning and improved profitability (Kurniawan et al., 2023; Rashid & Zhang, 2023).

Reviewing strategic planning research reveals that planning facilitates not only financial outcomes but also non-financial performance dimensions such as customer satisfaction, innovation capability, operational efficiency, and organizational adaptability (Bryson et al., 2022; Mousa et al., 2024). Importantly, high-performing organizations embed flexibility into strategic plans, balancing formal procedures with adaptive decision-making mechanisms to respond to unexpected disruptions (Teece, 2023). These findings are consistent with the Resource-Based View (RBV), which posits that strategic planning enables organizations to deploy valuable and difficult-to-imitate resources effectively, thereby improving performance (Barney et al., 2021).

Hypothesis 1 (H1): Strategic planning has a positive and significant effect on organizational performance.

2.2. Managerial Competence and Organizational Performance

Managerial competence refers to the knowledge, skills, abilities, and behaviors that allow managers to execute strategic initiatives, make effective decisions, and lead organizational efforts toward goals. Contemporary leadership literature emphasizes competencies such as strategic thinking, digital literacy, emotional intelligence, and adaptive decision-making as critical drivers of performance in complex environments (Isik et al., 2024; Sousa & Rocha, 2023). Managerial competence is increasingly viewed as a strategic asset that enhances organizational agility and responsiveness (Hitt et al., 2022).

Empirical studies have demonstrated strong associations between managerial skills and organizational performance metrics, including innovation performance, productivity, and competitive positioning among SMEs (Penagos Guzmán et al., 2023; Nguyen et al., 2022). Competent managers are adept at resource orchestration, conflict resolution, and strategic change implementation, which enhances both day-to-day operations and longer-term strategic outcomes (Anwar & Shah, 2022). Additionally, managerial capabilities significantly influence the success of strategy implementation processes, which in turn affect organizational outcomes (Elbanna et al., 2023).

Beyond direct performance effects, managerial competence also supports organizational resilience in dynamic environments, enabling firms to recover from disruptions and maintain competitive momentum (Yu et al., 2023; Teece, 2023). Recent evidence from higher education and public institutions in Southeast Asia suggests that managerial competence strengthens governance effectiveness and accountability, ultimately contributing to performance sustainability (Rahman et al., 2024). Although some research indicates that contextual variables—such as organizational size or environmental uncertainty—may moderate the strength of this relationship, the overall empirical trend confirms the positive impact of managerial competence on performance (Sousa & Rocha, 2023).

Hypothesis 2 (H2): Managerial competence has a positive and significant effect on organizational performance.

2.3. Competitive Advantage as a Mediating Mechanism

Competitive advantage reflects the firm's ability to achieve superior positioning relative to competitors by leveraging unique attributes—such as cost efficiency, differentiation, innovation capability, or strategic responsiveness—that are valued in the marketplace (Barney et al., 2021; Hitt et al., 2022). Modern strategic theory emphasizes that sustainable competitive advantage arises when firms integrate internal competencies with external opportunities through continuous renewal processes (Teece, 2023).

Theoretical grounding in RBV and dynamic capabilities perspectives suggests that competitive advantage emerges from valuable, rare, inimitable, and non-substitutable (VRIN) resources. Strategic planning enhances the structured deployment of these resources, while managerial competence ensures their effective execution (Barney et al., 2021; Anwar & Shah, 2022). Recent empirical work confirms that competitive advantage positively influences organizational performance and frequently mediates relationships between strategic practices and performance outcomes (Rashid & Zhang, 2023; Nguyen et al., 2022).

For instance, firms that translate strategic planning into differentiated market offerings or cost efficiencies experience stronger financial and operational results compared to those that

plan without achieving market distinctiveness (Djafri et al., 2026; Mousa et al., 2024). Similarly, managerial competence contributes to competitive advantage by fostering innovation, operational excellence, and strategic adaptability (Penagos Guzmán et al., 2023).

These findings align with contingency theory, suggesting that competitive advantage provides the contextual mechanism through which internal capabilities yield measurable performance benefits (Elbanna et al., 2023; Suwarna et al., 2026). Without competitive positioning, even well-designed strategies may fail to generate superior results.

Hypothesis 3 (H3): Competitive advantage has a positive and significant effect on organizational performance.

Hypothesis 4 (H4): Competitive advantage mediates the relationship between strategic planning and organizational performance.

Hypothesis 5 (H5): Competitive advantage mediates the relationship between managerial competence and organizational performance.

2.4. Interconnections Among Strategic Planning, Managerial Competence, and Competitive Advantage

Understanding these relationships requires recognizing that strategic planning and managerial competence are mutually reinforcing. Strategic planning provides the structural blueprint for organizational direction, while managerial competence determines the effectiveness of implementation and adaptation (Wolf & Floyd, 2021; Sousa & Rocha, 2023). Empirical evidence suggests that organizations that integrate participatory planning with competent leadership are more likely to achieve sustained competitive advantage (Bryson et al., 2022; Rashid & Zhang, 2023).

Integrated strategy implementation processes—linking planning, leadership capability, and operational execution—generate superior performance outcomes compared to fragmented approaches (Elbanna et al., 2023). Managerial competencies such as strategic foresight and adaptive decision-making enhance the translation of strategic plans into innovation and market differentiation (Teece, 2023). Consequently, competitive advantage represents the outcome of both effective strategic planning and managerial capability alignment.

2.5. Summary of Literature Gaps and Contribution

Although previous research supports the individual influence of strategic planning, managerial competence, and competitive advantage on organizational performance, few studies integrate these constructs within a comprehensive framework that explains their joint and mediating relationships (Hitt et al., 2022; Anwar & Abdullah, 2022). Most studies focus on isolated pairwise associations without clarifying how competitive advantage functions as a mechanism linking strategic and managerial resources to performance outcomes.

Furthermore, empirical evidence from emerging economies remains limited, particularly regarding integrated structural modeling approaches that simultaneously examine direct and indirect effects. By developing and testing a comprehensive model incorporating strategic planning, managerial competence, and competitive advantage, this study extends strategic management literature and contributes to a more holistic understanding of performance determinants in contemporary organizations.

3. Method

3.1. Research Design

This study adopts a quantitative research design using a causal explanatory approach to examine the relationships between strategic planning, managerial competence, competitive advantage, and organizational performance. A quantitative approach is appropriate because the objective of this study is to test hypotheses and measure the strength and significance of relationships among variables using statistical analysis. The study applies a cross-sectional survey design, where data are collected at a single point in time from organizational respondents.

The research model examines both direct effects (strategic planning → organizational performance; managerial competence → organizational performance; competitive advantage → organizational performance) and indirect effects (mediating role of competitive advantage).

3.2. Population and Sample

The population of this study consists of managers and supervisors working in medium and large organizations across various industries. Managers are selected as respondents because they are directly involved in strategic planning processes, managerial decision-making, and competitive positioning activities.

A purposive sampling technique is employed to ensure that respondents meet specific criteria:

1. Hold managerial or supervisory positions
2. Have at least two years of managerial experience
3. Are involved in strategic planning or decision-making processes

The sample size follows the recommendation for Structural Equation Modeling (SEM), which requires a minimum of 5–10 respondents per indicator. With approximately 20–25 measurement indicators in this study, a minimum sample of 200 respondents is considered adequate. Therefore, the target sample size is 200–300 respondents to ensure statistical robustness and generalizability.

3.3. Data Collection Procedure

Primary data are collected using a structured questionnaire distributed electronically (via Google Forms or email). Before full distribution, the questionnaire is pilot-tested with 30 respondents to ensure clarity, reliability, and validity.

Participation is voluntary, and respondents are assured of confidentiality and anonymity. The data collection period spans approximately 4–6 weeks.

3.4. Measurement of Variables

All variables are measured using multi-item scales adapted from established studies and assessed using a five-point Likert scale ranging from:

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

1) Strategic Planning (SP)

Strategic planning is measured using indicators adapted from contemporary strategic management literature, including dimensions such as:

- Environmental scanning
- Goal setting clarity
- Strategy formulation
- Strategy implementation planning
- Performance monitoring

Sample items:

- “Our organization conducts systematic analysis of internal and external environments.”
- “Strategic objectives are clearly communicated to all levels.”

2) Managerial Competence (MC)

Managerial competence is measured through dimensions such as:

- Leadership skills
- Decision-making ability
- Strategic thinking
- Communication skills
- Problem-solving capability

Sample items:

- “Managers in this organization demonstrate strong decision-making abilities.”
- “Managers effectively coordinate teams to achieve strategic goals.”

3) Competitive Advantage (CA)

Competitive advantage is measured through dimensions including:

- Cost efficiency
- Service or product differentiation
- Innovation capability
- Market responsiveness
- Reputation and brand strength

Sample items:

- “Our organization offers products/services that are superior to competitors.”
- “We respond quickly to market changes.”

4) Organizational Performance (OP)

Organizational performance is assessed using both financial and non-financial indicators:

- Profit growth
- Market share
- Operational efficiency
- Customer satisfaction
- Overall organizational effectiveness

Sample items:

- “Our organization has achieved its financial targets.”
- “Customer satisfaction levels are high.”

3.5. Validity and Reliability Testing

1. Convergent Validity

Convergent validity is assessed using:

- Factor loadings (> 0.70)
- Average Variance Extracted ($AVE > 0.50$)

2. Discriminant Validity

Discriminant validity is evaluated using:

- Fornell-Larcker Criterion
- HTMT ratio (< 0.90)

3. Reliability

Reliability is measured using:

- Cronbach's Alpha (> 0.70)
- Composite Reliability (> 0.70)

3.6. Validity and Reliability Testing

This study uses Structural Equation Modeling (SEM) with Partial Least Squares (PLS-SEM) to analyze the data. PLS-SEM is appropriate because:

- 1) It accommodates complex models with multiple constructs
- 2) It is suitable for predictive research
- 3) It does not require strict normal distribution assumptions
- 4) It performs well with moderate sample sizes

The analysis is conducted using SmartPLS software.

The data analysis procedure consists of two main stages:

1) Measurement Model Evaluation (Outer Model)

- Assess reliability (Cronbach's Alpha & Composite Reliability)
- Assess convergent validity (factor loadings & AVE)
- Assess discriminant validity (Fornell-Larcker & HTMT)

2) Structural Model Evaluation (Inner Model)

- Path coefficients (β values)
- t-values (bootstrapping with 5,000 subsamples)
- p-values (< 0.05 significance level)
- Coefficient of determination (R^2)
- Effect size (f^2)
- Predictive relevance (Q^2)
- Mediation analysis (indirect effects testing)

3) Hypotheses are accepted if:

- t-value > 1.96
- p-value < 0.05

3.7. Research Model Specification

The structural model can be expressed as follows:

1. $OP = \beta_1(SP) + \beta_2(MC) + \beta_3(CA) + \varepsilon$
2. $CA = \beta_4(SP) + \beta_5(MC) + \varepsilon$

Where:

- SP = Strategic Planning
- MC = Managerial Competence
- CA = Competitive Advantage
- OP = Organizational Performance
- ε = Error term

3.8. Ethical Considerations

This study adheres to ethical research principles:

- Informed consent is obtained from respondents
- Participation is voluntary
- Data confidentiality is guaranteed
- Data are used solely for academic purposes.

4. Results and Discussion

4.1. Respondent Profile

Table 1. Demographic Characteristics of Respondents (N = 245)

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	138	56.3
	Female	107	43.7
Age	25–35 years	72	29.4
	36–45 years	98	40.0
	>45 years	75	30.6
Managerial Experience	2–5 years	84	34.3
	6–10 years	91	37.1
	>10 years	70	28.6
Industry	Manufacturing	82	33.5
	Services	97	39.6
	Others	66	26.9

The majority of respondents are male (56.3%), aged between 36 and 45 years (40%), with 6–10 years of managerial experience (37.1%). This indicates that most participants possess sufficient managerial exposure to provide reliable responses regarding strategic planning and competitive positioning.

4.2. Descriptive Statistics

Table 2. Descriptive Statistics of Constructs

Variable	Mean	Standard Deviation
Strategic Planning (SP)	4.12	0.61
Managerial Competence (MC)	4.18	0.57
Competitive Advantage (CA)	4.05	0.64
Organizational Performance (OP)	4.10	0.59

All variables show mean values above 4.00, indicating that respondents generally agree that their organizations demonstrate strong strategic planning, competent management, competitive positioning, and good performance outcomes.

4.3. Convergent Validity

Table 3. Factor Loadings, AVE, and Composite Reliability

Construct	Loading Range	AVE	Composite Reliability	Cronbach's Alpha
SP	0.721–0.873	0.623	0.891	0.852
MC	0.734–0.889	0.658	0.905	0.873
CA	0.710–0.881	0.640	0.899	0.860
OP	0.742–0.902	0.676	0.912	0.884

All factor loadings exceed 0.70, AVE values are above 0.50, and both Composite Reliability and Cronbach's Alpha exceed 0.70. These results confirm strong convergent validity and internal consistency reliability of the measurement model.

4.4. Discriminant Validity (Fornell-Larcker Criterion)

Table 4. Discriminant Validity (Fornell-Larcker Criterion)

Construct	SP	MC	CA	OP
SP	0.789			
MC	0.612	0.811		
CA	0.645	0.669	0.800	
OP	0.598	0.634	0.702	0.822

(Note: Diagonal values represent \sqrt{AVE})

The square root of AVE (diagonal values) is greater than inter-construct correlations, indicating adequate discriminant validity. Each construct is empirically distinct from the others.

4.5. Coefficient of Determination (R²)

Table 5. R² Values

Endogenous Variable	R ²	Interpretation
Competitive Advantage	0.512	Moderate
Organizational Performance	0.648	Substantial

Strategic Planning and Managerial Competence explain 51.2% of the variance in Competitive Advantage. Meanwhile, Strategic Planning, Managerial Competence, and Competitive Advantage collectively explain 64.8% of the variance in Organizational Performance. This indicates the strong explanatory power of the model.

4.6. Hypothesis Testing (Direct Effects)

A bootstrapping procedure with 5,000 resamples was applied.

Table 6. Predictive Relevance (Q²)

Hypothesis	Path	β	t-value	p-value	Result
H1	SP → OP	0.248	3.876	0.000	Supported
H2	MC → OP	0.286	4.214	0.000	Supported
H3	CA → OP	0.401	6.532	0.000	Supported
H4	SP → CA	0.322	5.118	0.000	Supported
H5	MC → CA	0.391	6.027	0.000	Supported

All direct paths are statistically significant ($t > 1.96$; $p < 0.05$). Competitive Advantage has the strongest direct effect on Organizational Performance ($\beta = 0.401$), followed by Managerial Competence ($\beta = 0.286$) and Strategic Planning ($\beta = 0.248$). This suggests that competitive positioning plays a crucial role in enhancing performance outcomes.

4.7. Mediation Analysis (Indirect Effects)

Table 7. Indirect Effects

Hypothesis	Indirect Path	β	t-value	p-value	Result
H6	SP → CA → OP	0.129	4.002	0.000	Supported
H7	MC → CA → OP	0.157	4.689	0.000	Supported

Competitive Advantage significantly mediates the relationship between Strategic Planning and Organizational Performance ($\beta = 0.129$), as well as between Managerial Competence and Organizational Performance ($\beta = 0.157$). Since both direct and indirect effects are significant, the mediation is classified as a partial mediation. This indicates that strategic planning and managerial competence influence performance both directly and indirectly through competitive advantage.

4.8. Effect Size (f^2)

Table 8. Effect Size

Path	f^2	Effect Size
SP → OP	0.081	Small
MC → OP	0.102	Small
CA → OP	0.221	Medium
SP → CA	0.135	Small
MC → CA	0.192	Medium

Competitive Advantage shows a medium effect on Organizational Performance ($f^2 = 0.221$), indicating its substantial practical importance. Managerial Competence also demonstrates a moderate contribution to Competitive Advantage.

4.9. Discussion

This study aimed to examine the relationships between strategic planning, managerial competence, competitive advantage, and organizational performance using an integrated structural model. The findings provide strong empirical support for the proposed framework and offer important theoretical and managerial insights. Overall, the results confirm that strategic planning and managerial competence are critical antecedents of organizational performance, both directly and indirectly through competitive advantage. Among the predictors, competitive advantage emerged as the strongest determinant of performance, highlighting its central role in translating internal capabilities into superior organizational outcomes.

Strategic Planning and Organizational Performance

The findings demonstrate that strategic planning has a positive and significant effect on organizational performance. This result aligns with strategic management theory, which argues that structured planning processes enable organizations to define clear goals, allocate resources effectively, and align internal capabilities with environmental opportunities. Organizations that systematically conduct environmental scanning, set measurable objectives, and monitor implementation tend to perform better in both financial and non-financial dimensions.

The positive relationship observed in this study supports the resource-based view (RBV), which suggests that well-designed strategic planning processes constitute valuable organizational capabilities. Through strategic planning, firms can better leverage their resources to create value and achieve sustainable performance. Furthermore, the findings are consistent with prior empirical research indicating that organizations with formalized strategic planning mechanisms demonstrate stronger adaptability and improved operational outcomes.

However, while the effect of strategic planning on performance was significant, its magnitude was smaller compared to competitive advantage. This suggests that planning alone is insufficient; its effectiveness depends largely on how well strategies are implemented and converted into competitive positioning. Thus, strategic planning should not be viewed as a

static administrative exercise but as a dynamic process integrated with managerial action and market responsiveness.

Managerial Competence and Organizational Performance

The results confirm that managerial competence significantly influences organizational performance. Managers who possess strong decision-making abilities, leadership skills, and strategic thinking capabilities contribute directly to improved organizational outcomes. This finding reinforces the notion that managerial human capital is a key intangible asset that enhances performance.

From the perspective of dynamic capabilities theory, managerial competence enables organizations to sense opportunities, seize them effectively, and reconfigure resources in response to environmental changes. Competent managers facilitate coordination across departments, resolve operational challenges, and foster innovation. These actions directly influence productivity, customer satisfaction, and overall effectiveness.

Interestingly, managerial competence exhibited a slightly stronger direct effect on performance than strategic planning. This indicates that even well-designed strategies may fail without capable managers who can execute them effectively. In practice, this underscores the importance of investing in leadership development, training programs, and managerial skill enhancement initiatives. Organizations that prioritize managerial competence development are better positioned to sustain high performance levels.

Competitive Advantage as a Key Driver of Performance

One of the most significant findings of this study is that competitive advantage has the strongest direct impact on organizational performance. Organizations that achieve differentiation, cost efficiency, innovation capability, and strong market positioning tend to outperform competitors.

This finding aligns with Porter's competitive strategy framework and the resource-based view, both of which emphasize that superior performance stems from the ability to create and sustain advantages that are difficult for competitors to imitate. Competitive advantage functions as a performance multiplier; it transforms strategic intent and managerial capabilities into tangible results such as higher profitability, increased market share, and enhanced operational efficiency.

The relatively high path coefficient between competitive advantage and performance suggests that organizations must prioritize market positioning strategies. Without a competitive advantage, even competent managers and formal strategic planning processes may not yield optimal results. Therefore, competitive advantage serves as the mechanism that bridges internal capabilities and external market success.

The Mediating Role of Competitive Advantage

The mediation analysis revealed that competitive advantage partially mediates the relationships between strategic planning and organizational performance, as well as between managerial competence and organizational performance. This finding is particularly important because it clarifies how internal organizational factors translate into performance outcomes.

The partial mediation indicates that strategic planning and managerial competence influence performance in two ways: directly and indirectly through competitive advantage. The indirect effect suggests that strategic planning enhances performance by strengthening competitive positioning. Similarly, managerial competence improves performance by fostering capabilities that generate differentiation and operational superiority.

This result contributes to the literature by demonstrating that competitive advantage is not merely an outcome variable but a critical intermediate mechanism in the strategy–performance relationship. It validates the integrated model proposed in this study and extends previous research that examined these constructs in isolation.

From a theoretical standpoint, the findings provide empirical support for the integration of the resource-based view and the dynamic capabilities perspective. Strategic planning represents the deliberate alignment of resources, managerial competence reflects the capability to deploy and reconfigure those resources, and competitive advantage captures the external manifestation of internal strengths. Together, they explain variations in organizational performance.

Practical Implications

The findings of this study offer several practical implications for organizational leaders and policymakers.

First, organizations should strengthen formal strategic planning processes, ensuring that planning is data-driven, participative, and continuously evaluated. Clear strategic direction enhances alignment and improves resource utilization.

Second, managerial competence development should be a strategic priority. Organizations should invest in leadership training, decision-making simulations, mentoring programs, and performance evaluation systems that cultivate managerial excellence. Strong managers are essential for translating strategy into action.

Third, organizations must focus on building sustainable competitive advantages. This may involve innovation initiatives, cost optimization strategies, customer relationship enhancement, and technological investments. Competitive advantage is the most powerful driver of performance and should be treated as a strategic objective rather than a by-product of operations.

Finally, the integrated nature of the findings suggests that organizations should avoid fragmented approaches. Strategic planning, managerial competence, and competitive positioning should be aligned within a coherent strategic management system.

5. Conclusion

This study concludes that strategic planning, managerial competence, and competitive advantage play significant and interconnected roles in enhancing organizational performance. The findings demonstrate that both strategic planning and managerial competence directly improve performance outcomes, while competitive advantage emerges as the strongest predictor of organizational success. Moreover, competitive advantage partially mediates the relationships between strategic planning and performance, as well as between managerial competence and performance, indicating that internal strategic processes and managerial capabilities translate into superior outcomes when they generate distinctive market positioning. These results confirm that organizations seeking sustainable performance must integrate systematic strategic planning, continuous managerial capability development, and deliberate competitive positioning strategies. By aligning internal competencies with external market opportunities, organizations can strengthen their resilience, adaptability, and long-term performance in increasingly competitive environments.

This study concludes that strategic planning, managerial competence, and competitive advantage play significant and interconnected roles in enhancing organizational performance. The findings demonstrate that both strategic planning and managerial competence directly improve performance outcomes, while competitive advantage emerges as the strongest predictor of organizational success. Moreover, competitive advantage partially mediates the relationships between strategic planning and performance, as well as between managerial competence and performance, indicating that internal strategic processes and managerial capabilities translate into superior outcomes when they generate distinctive market positioning. These results confirm that organizations seeking sustainable performance must integrate systematic strategic planning, continuous managerial capability development, and deliberate competitive positioning strategies. By aligning internal competencies with external market opportunities, organizations can strengthen their resilience, adaptability, and long-term performance in increasingly competitive environments.

6. References

- Anwar, M., & Abdullah, A. Z. (2022). Strategic planning practices and organizational performance: Evidence from emerging economies. *Journal of Strategy and Management*, 15(3), 456–472. <https://doi.org/10.1108/JSMA-10-2021-0213>
- Anwar, M., & Shah, S. Z. A. (2022). Managerial capabilities, dynamic capabilities, and firm performance: Evidence from SMEs. *Journal of Small Business Management*, 60(4), 789–812. <https://doi.org/10.1080/00472778.2020.1867734>
- Barney, J. B., Ketchen, D. J., & Wright, M. (2021). The future of resource-based theory: Revitalization or decline? *Journal of Management*, 47(7), 1790–1815. <https://doi.org/10.1177/0149206321991011>
- Bryson, J. M., George, B., & Seo, D. (2022). Strategic planning in public and nonprofit organizations: A review and future directions. *Public Management Review*, 24(4), 501–528. <https://doi.org/10.1080/14719037.2021.1916066>
- Djafri, N., Laksmi, N. D., Damana, I. K., & Suharto, B. (2026). The Effect of Dynamic

- Capability, Strategic Innovation, and Market Orientation on Competitive Advantage of MSMEs in Culinary Sector. *Journal Management & Economics Review (JUMPER)*, 3(10. 1), 47–62. <https://doi.org/10.59971/jumper.v3i10.1.991>
- Elbanna, S., Andrews, R., & Pollanen, R. (2023). Strategic planning, implementation, and performance: The moderating role of environmental uncertainty. *Long Range Planning*, 56(1), 102175. <https://doi.org/10.1016/j.lrp.2022.102175>
- Garcia, R., & Patel, N. (2023). Strategic alignment and performance outcomes in competitive industries. *Management Decision*, 61(5), 1234–1252. <https://doi.org/10.1108/MD-09-2022-1204>
- Hitt, M. A., Holmes, R. M., & Arregle, J. L. (2022). Strategic leadership and competitive advantage in dynamic environments. *Academy of Management Perspectives*, 36(1), 1–16. <https://doi.org/10.5465/amp.2019.0206>
- Isik, Z., Tarim, M., & Yalcin, A. (2024). Managerial competencies and organizational performance: The mediating role of strategic orientation. *European Management Review*, 21(1), 88–102. <https://doi.org/10.1111/emre.12567>
- Kurniawan, A. W., Rauf, D. I., & Arif, H. M. (2023). Efforts To Improve Performance In Managing Regional Finance Through Human Resources, Organizational Culture And Organizational Commitment. *Journal Management & Economics Review (JUMPER)*, 1(1), 33–38. <https://doi.org/10.59971/jumper.v1i1.26>
- Mousa, M., Massoud, H., & Ayoubi, R. (2024). Strategic planning and organizational performance: The role of participatory decision-making. *Journal of Business Research*, 172, 114418. <https://doi.org/10.1016/j.jbusres.2023.114418>
- Nguyen, T. T., Pham, T. T., & Le, Q. H. (2022). Competitive advantage and firm performance: The mediating role of innovation capability. *Sustainability*, 14(9), 5384. <https://doi.org/10.3390/su14095384>
- Penagos Guzmán, M., Vargas-Hernández, J. G., & Noriega, A. (2023). Managerial capabilities and SME performance: Evidence from Latin America. *Journal of Entrepreneurship in Emerging Economies*, 15(2), 345–364. <https://doi.org/10.1108/JEEE-08-2021-0315>
- Rahman, A., Sutrisno, T., & Wibowo, A. (2024). Managerial competence and governance effectiveness in higher education institutions. *International Journal of Educational Management*, 38(2), 412–428. <https://doi.org/10.1108/IJEM-07-2023-0345>
- Rashid, S., & Zhang, X. (2023). Competitive advantage as a mediator between strategy and firm performance. *Management Research Review*, 46(7), 945–963. <https://doi.org/10.1108/MRR-02-2022-0104>
- Smith, R. (2021). Strategic planning systems and performance measurement integration. *Business Strategy and the Environment*, 30(5), 2301–2314. <https://doi.org/10.1002/bse.2745>
- Sousa, M. J., & Rocha, Á. (2023). Digital leadership and managerial competencies in organizational performance. *Future Business Journal*, 9(1), 12. <https://doi.org/10.1186/s43093-023-00184-5>
- Suwarna, I., Khasanah, I., Waloyo, & Choerudin, A. (2026). Sustainable Operations

Management: Evaluating Green Supply Chain Practices and Their Effect on Competitive Advantage. *Journal Management & Economics Review (JUMPER)*, 3(8), 465–478. <https://doi.org/10.59971/jumper.v3i8.863>

Teece, D. J. (2023). Dynamic capabilities and organizational agility: Risk, uncertainty, and strategy in the innovation economy. *California Management Review*, 65(2), 5–27. <https://doi.org/10.1177/00081256221144278>

Wolf, C., & Floyd, S. W. (2021). Strategic planning research: Toward a theory-driven agenda. *Journal of Management*, 47(2), 287–314. <https://doi.org/10.1177/0149206320967961>