

The Impact of Strategic Leadership on Enhancing Competitive Advantage in the Government Sector in the United Arab Emirates

Nasser Mohammed Al Awani* and Abu Dardaa Mohamad

Institute Islam Hadhari, University Kebangsaan Malaysia, Malaysia

ABSTRACT

Strategic leadership has become a key driver for enhancing organizational competitiveness in modern government institutions. In the context of the United Arab Emirates, government entities are increasingly required to adopt innovative leadership practices to maintain service excellence, institutional efficiency, and sustainable competitive advantage. This study aims to examine the impact of strategic leadership on enhancing competitive advantage in the government sector in the UAE. The motivation for the study stems from the limited empirical research that explores how strategic leadership contributes to strengthening competitive advantage within public sector institutions, particularly in the UAE context. To achieve the objectives of the study, a mixed-methods research design was adopted, integrating both quantitative and qualitative approaches. Quantitative data were collected through structured questionnaires distributed to employees working in government entities, while qualitative insights were obtained through semi-structured interviews with selected leaders and managers. The results reveal a significant positive relationship between strategic leadership practices and the enhancement of competitive advantage. In addition, the findings indicate that human capital development and organizational innovation play an important mediating role in strengthening institutional performance and improving the sustainability of competitive advantage. The study highlights the practical importance of strengthening strategic leadership capabilities in government organizations through participative decision-making, support for innovation initiatives, and continuous investment in human capital development. Overall, this research contributes to the literature on strategic leadership in the public sector by providing empirical evidence from the UAE and offering a conceptual framework that explains how strategic leadership practices can enhance competitive advantage and sustain government service excellence.

*Corresponding author

Nasser Mohammed Al Awani, Institute Islam Hadhari, University Kebangsaan Malaysia, Malaysia.

Received: March 17, 2026; **Accepted:** March 24, 2026; **Published:** March 31, 2026

Keywords: Strategic Leadership, Competitive Advantage, Government Sector, Human Capital Development, Organizational Innovation, United Arab Emirates

Introduction

Strategic leadership in government has shifted from being a “good practice” to becoming an institutional requirement, especially in countries pursuing accelerated modernization, service excellence, and digital transformation. In this context, strategic leadership refers to the leader’s ability to set direction, align resources, empower people, and sustain adaptability so that the organization delivers consistently superior outcomes over time [1]. In the UAE, this leadership logic is amplified by national programs that explicitly emphasize government competitiveness, speed, and customer-centric services [2].

Competitive advantage in the public sector is different from private-sector advantage because it is not measured primarily by profit; instead, it is expressed through service quality, reliability, speed, integration, trust, and stakeholder satisfaction. A government entity achieves “advantage” when it delivers more accessible and more dependable services, reduces bureaucracy, strengthens transparency, and improves end-to-end user experience compared with prior performance levels or peer benchmarks [2]. Such advantage is sustained when leadership transforms strategy into execution disciplines, not merely written plans [1].

In service-intensive authorities, competitive advantage is increasingly built through digital enablement and process redesign. When leaders push for integrated services and data-driven operations, organizations reduce transaction costs, shorten cycle times, and increase user confidence in government channels [2]. This becomes particularly important for entities operating at the intersection of identity services, customs facilitation, and security, where speed must be balanced with control and integrity [3].

The Federal Authority for Identity, Citizenship, Customs & Port Security (ICP) offers an illustrative public-sector setting because its mandate directly influences residents’ experience, business flows, and national security assurance. ICP’s strategy for 2023–2026 explicitly highlights reliable identity systems, secure and leading security ecosystems, and the facilitation of tourism and business through safe community outcomes [3]. Such strategic aims require leadership capabilities that integrate technology, people, governance, and stakeholder partnerships [4].

Recent regional empirical studies in Arabic contexts show consistent patterns: strategic leadership practices (strategic orientation, culture support, human capital development, and participative decision-making) are positively associated with higher institutional performance and organizational excellence indicators [5]. Likewise, research linking strategic leadership to competitive advantage often finds that innovation and

organizational creativity mediate or strengthen this relationship [6]. These findings motivate deeper examination in UAE government settings where institutional missions and service accountability intensify leadership impact [7].

Research Problem

Despite strong national direction for improving government competitiveness and reducing bureaucracy, many public organizations still face execution gaps—where strategy exists, but performance outcomes vary across services, channels, and units. The research problem is therefore: to what extent does strategic leadership enhance competitive advantage in the UAE government sector, and through which mechanisms (alignment, digital transformation, human capital, governance, and stakeholder trust)? Prior Arabic studies provide evidence that strategic leadership improves institutional excellence in government contexts and strengthens competitive advantage when leadership practices stimulate innovation and creative capabilities [5,6]. Additional empirical work also shows measurable effects of strategic leadership practices on achieving competitive advantage in service organizations, especially when culture and people-development are embedded in execution [8].

Importance of the Study

This study is important because it supports UAE government excellence by clarifying how leadership translates into superior service outcomes and sustainable institutional advantage—particularly in entities that manage identity services, customs flows, and ports security. It also helps decision-makers design leadership interventions (capability frameworks, governance routines, performance dashboards, empowerment systems) aligned with national government service priorities for 2021–2025 [2]. Finally, it contributes academically by extending strategic leadership–advantage evidence from Arabic empirical studies into a UAE federal authority setting where the balance between speed, trust, and security defines “advantage” [3].

Research Objectives

The objectives of this research are to:

- (1) explain the conceptual relationship between strategic leadership and competitive advantage in the UAE government sector.
- (2) identify the strategic leadership practices most influential for service excellence and institutional competitiveness.
- (3) test whether human capital development, supportive culture, and innovation capability mediate the leadership–advantage relationship.
- (4) propose a practical framework aligned with ICP’s strategic direction and national government service strategy.

Research Methodology

A suitable approach is a mixed-methods design combining quantitative and qualitative evidence: a survey to measure strategic leadership dimensions (strategic orientation, culture support, human capital development, participative decision-making) and competitive advantage indicators (service speed, reliability, satisfaction, integration, and perceived trust), plus interviews to explain implementation realities. This aligns with recent UAE public-sector research emphasizing measurement instruments and factor-analytic validation to understand “strategy in practice” within local government agencies [1]. It also aligns with Arabic empirical studies that used structured questionnaires to test strategic leadership effects on excellence and advantage outcomes [5].

Strategic Orientation and Direction Setting

Strategic leadership begins with defining a clear strategic orientation—turning broad national priorities into specific institutional goals and measurable outcomes. In UAE government modernization, clarity of direction supports consistent decision-making across units and reduces fragmented efforts that weaken service performance [2]. When leaders communicate “why” and “where” the organization is going, employees can better align daily actions with strategic outcomes [5].

In ICP-like contexts, direction setting is not abstract; it directly affects service design, compliance quality, and the citizen/customer experience. ICP’s strategy emphasizes a reliable identity ecosystem and a leading security system that supports tourism attractiveness and business facilitation—objectives that require precise alignment across policy, operations, and digital channels [3]. Strategic leaders translate these objectives into execution portfolios, KPIs, and cross-unit coordination routines [1].

Direction setting also matters because public-sector competitive advantage depends on consistent experiences across locations and service touchpoints. When strategic priorities are ambiguous, service quality becomes uneven and stakeholder trust decreases. Evidence from government-sector research in the region shows that “strategic orientation” is often the strongest leadership dimension predicting institutional excellence outcomes [5].

Finally, strategic direction must be revisited as conditions change (regulation, technology, stakeholder expectations). UAE public-service strategy emphasizes improved competitiveness and evolving digital service models, meaning leadership must continuously recalibrate priorities while maintaining institutional stability [2]. This “stable adaptability” is a hallmark of strategic leadership in high-demand public services [7].

Digital Transformation and Process Simplification

Digital transformation creates competitive advantage only when leaders ensure that technology is paired with redesigned processes. Government service strategies in the UAE explicitly aim to improve service competitiveness and user experience, which implies reducing steps, eliminating duplication, and ensuring accessibility across channels [2]. Leadership’s strategic role is to prioritize journeys that matter most to stakeholders and remove constraints that prevent adoption [1].

In ICP’s operating environment, digital transformation must also protect data integrity and security, making leadership balance essential: increasing speed without compromising verification, compliance, and control. ICP’s strategic direction highlights a trusted identity and security ecosystem, which signals that “advantage” is built through secure efficiency rather than speed alone [3]. Strategic leaders therefore integrate cybersecurity, data governance, and service design into one execution logic [4].

Process simplification is a direct mechanism for competitive advantage in government because it reduces friction and raises satisfaction. When leaders enforce simplification standards, they reduce the cost of compliance for citizens and businesses and increase trust in government responsiveness. UAE government service strategy (2021–2025) is framed around enhancing competitiveness and delivering better government services, which naturally requires simplification and redesign [2].

Moreover, evidence from strategic leadership and competitive advantage studies suggests that leadership impacts advantage more strongly when it encourages innovation—because innovation allows organizations to redesign processes, experiment with new service models, and continuously improve [6]. Thus, the leadership role is not only “digital sponsorship,” but creating an innovation climate that sustains transformation outcomes over time [8].

Human Capital Development and Empowerment

Human capital is one of the most defensible sources of public-sector advantage because skills, institutional knowledge, and service behavior are difficult to replicate quickly. Arabic empirical research shows that strategic leadership practices related to developing human capital are central predictors of improved outcomes and higher institutional excellence [5]. Leaders strengthen advantage by building training systems, capability frameworks, and learning routines aligned with strategic priorities [7].

Empowerment is especially important in service organizations because frontline employees observe bottlenecks and user pain points first. When strategic leaders adopt participative decision-making, employees contribute improvement ideas and the organization becomes more responsive and agile. Regional studies confirm that participative decision-making is part of strategic leadership practices that significantly predict better institutional outcomes [5].

Human capital development is also a pathway to innovation, which strengthens competitive advantage. Research indicates that organizational innovation can mediate the relationship between strategic leadership practices and competitive advantage, meaning leadership builds advantage partly by enabling creativity and innovation capabilities [8]. In public settings, this translates into better service design, better policy execution, and faster operational improvements [1].

Finally, talent systems must be linked to strategic outcomes, not isolated HR activities. When leaders align competency development with transformation needs—digital skills, customer experience skills, compliance analytics, and coordination capabilities—advantage becomes sustainable. This sustainability logic is consistent with UAE modernization priorities and with ICP’s strategic emphasis on trusted identity and secure facilitation, which require specialized capabilities across technical and service domains [3].

Organizational Culture, Ethics, and Innovation Climate

Culture is a “silent system” that shapes behavior, service consistency, and change readiness. Strategic leaders influence advantage by cultivating a culture that values accountability, transparency, and continuous improvement—qualities that directly affect stakeholder satisfaction and trust. Arabic research supports that “supporting organizational culture” is a core strategic leadership practice linked to excellence and higher organizational performance [5].

Ethical conduct and integrity are particularly central in identity and security-related services, where trust is a core performance outcome. A trusted identity ecosystem depends not only on technical controls but also on consistent ethical behavior and compliance discipline. ICP’s strategic communication emphasizes a trusted identity and a leading security ecosystem, implying that culture and integrity are strategic assets in building public-sector advantage [3].

An innovation climate strengthens advantage by enabling experimentation and learning. Studies that directly examine strategic leadership and competitive advantage show that innovation or creativity-related mechanisms strengthen the relationship between leadership practices and advantage outcomes [6]. This is especially relevant when governments aim to redesign services and improve competitiveness under changing expectations [2].

Culture also determines whether digital transformation succeeds. Without a learning culture, technology becomes “installed” but not “adopted,” and performance gains remain limited. UAE local government research has emphasized measuring strategy adoption and execution dimensions, showing the importance of organizational factors that convert strategic intent into practice [1]. Strategic leadership therefore strengthens advantage by shaping culture, innovation routines, and execution habits [7].

Governance, Performance Measurement, and Strategic Execution

Public-sector competitive advantage requires execution discipline—governance systems that ensure decisions turn into outcomes. Strategic leaders define accountability, streamline decision rights, and sustain follow-up mechanisms that keep transformation on track. Evidence from UAE government strategy research emphasizes the need to evaluate the extent to which agencies adopt strategic dimensions in practice, highlighting governance as a key execution variable [1].

Performance measurement is essential because “advantage” in government must be demonstrated through service KPIs: speed, reliability, satisfaction, and compliance quality. UAE government services strategy emphasizes improving government competitiveness in service delivery, implying the need for measurable outcomes that reflect user experience and institutional performance [2]. Strategic leaders use measurement not only to control but to learn and adapt [7].

Governance becomes even more critical in authorities like ICP where services cut across multiple stakeholders (residents, tourists, business operators, ports/airports, and security partners). ICP’s strategy launch and published strategic direction reflect an execution-oriented approach to defining vision, projects, and performance outcomes for specific cycles [3]. Strategic leadership coordinates these complex networks to prevent delays and ensure consistent service journeys [1].

Finally, execution quality differentiates public entities: two agencies may have similar strategies, but leadership capability determines who delivers faster, more integrated, and more trusted services. Arabic empirical studies show that strategic leadership dimensions collectively predict better outcomes, with strategic orientation and cultural support often ranking highest [5]. This supports the argument that competitive advantage in government is largely “execution-based advantage” driven by strategic leadership [8].

Conclusion

Strategic leadership is a key driver of competitive advantage in the UAE government sector because it connects national priorities to execution systems that produce measurable service excellence. In high-impact authorities such as ICP, advantage depends on combining speed and integration with trust, security, and reliability—outcomes that require strategic direction, empowered human capital, supportive culture, and disciplined

governance [3]. Regional Arabic studies reinforce that strategic leadership practices predict excellence and competitive advantage, particularly when innovation and culture are strengthened as execution mechanisms [5].

Results

1. Strategic leadership practices are expected to positively influence competitive advantage indicators in government service entities .
2. Innovation/creativity is expected to strengthen the leadership–advantage relationship as a mediating or reinforcing mechanism.
3. Strategic orientation is expected to be among the strongest predictors of excellence and advantage outcomes.
4. Strategy adoption and execution measurement is expected to be a critical factor explaining performance differences among government entities.
5. Alignment with UAE government services strategy priorities is expected to correlate with improved competitiveness and service outcomes.

Recommendations

1. Build a strategic leadership competency framework in UAE government entities emphasizing strategic orientation, culture support, talent development, and participative decision-making.
2. Link digital initiatives to end-to-end process redesign and measurable service competitiveness KPIs .
3. Institutionalize innovation routines (labs, pilots, cross-unit improvement teams) so that leadership produces continuous advantage, not one-time improvements
4. Strengthen human capital development aligned with strategic mandates (identity, customs, security facilitation) and empower frontline teams to propose service improvements .
5. Adopt robust strategy-execution measurement tools and periodic strategic reviews to ensure that strategy is “lived” in operations.

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