International Journal of Accounting and Economics Studies, 13 (1) (2026) 562-569

International Journal of Accounting and Economics Studies

Website: www.sciencepubco.com/index.php/IJAES
https://doi.org/10.14419/2j5a0t07
Research paper

The Interplay of Knowledge-Oriented Leadership, Knowledge Management, Intellectual Capital, and Organizational Performance in Higher Education Institutions

Xiaoming Chen [1], Chaithanaskorn Phawitpiriyakliti [1], Jeeranan Sangsrijan [2], Danielle Pattanayanon [3], Sid Terason [4] *

[1] College of Innovation and Management, Suan Sunandha Rajabhat University, Thailand
[2] Faculty of Humanities and Social Science, Suan Sunandha Rajabhat University, Thailand
[3] Bangkok International, Thailand
[4] Faculty of Sports and Health Science, Kasetsart University, Thailand
**Corresponding author E-mail: fsssid@ku.ac.th*

Received: January 2, 2026, Accepted: January 19, 2026, Published: January 28, 2026

Abstract

This study examines relationships among knowledge-oriented leadership, knowledge management, intellectual capital, organizational innovation, and organizational performance in higher education institutions. Integrating the knowledge-based view, resource-based view, and dynamic capabilities theory, this research tests a framework positioning organizational innovation as a mediator between knowledge-related antecedents and institutional performance. Survey data were collected from 386 university administrators across public and private higher education institutions in Hainan Province, China, and analyzed using partial least squares structural equation modeling. Results reveal that knowledge-oriented leadership significantly influences both knowledge management practices and intellectual capital development. Knowledge management and intellectual capital positively affect organizational innovation, which subsequently enhances organizational performance. Mediation analysis confirms organizational innovation partially mediates relationships between knowledge-related resources and performance. Findings contribute to higher education management literature by illuminating pathways through which knowledge-centric leadership practices foster institutional effectiveness in a rapidly developing provincial context. Practical implications for university administrators and directions for future research are discussed.

Keywords: *Higher Education; Hainan Province; Intellectual Capital; Knowledge Management; Knowledge-Oriented Leadership; Organizational Innovation; Organizational Performance.*

1. Introduction

Higher education institutions worldwide face unprecedented challenges characterized by intensifying competition, evolving stakeholder expectations, and rapid technological transformation. In China, these pressures are particularly acute as universities strive to meet ambitious national objectives for research excellence and global competitiveness. Hainan Province, as China's youngest provincial-level administrative region and the site of the Hainan Free Trade Port initiative, exemplifies these dynamics as its higher education system undergoes rapid development and transformation to support regional economic and social advancement.

The knowledge-based view posits that knowledge constitutes the most strategically significant organizational resource, serving as the foundation for sustainable competitive advantage (Grant, 1996). For universities, this perspective holds particular salience given their fundamental missions of knowledge generation, transmission, and preservation. However, the mere possession of knowledge resources is insufficient; institutions must develop capabilities to effectively manage these assets and translate them into meaningful performance outcomes.

Leadership plays a pivotal role in shaping organizational knowledge processes. Knowledge-oriented leadership, defined as leadership behaviors that encourage knowledge creation, sharing, and application, has emerged as a critical enabler of knowledge-based organizational capabilities (Donate & de Pablo, 2015; Lakshman, 2007). Leaders who prioritize knowledge development create environments conducive to learning and intellectual exchange, thereby establishing conditions favorable to innovation and performance enhancement.

Despite growing recognition of knowledge management's importance in higher education, significant gaps remain in understanding the mechanisms through which knowledge-related leadership practices influence institutional outcomes. Previous research has examined individual relationships among leadership, knowledge management, intellectual capital, and performance. However, integrated frameworks capturing their simultaneous interplay remain scarce. Moreover, most existing research has been conducted in Western contexts, leaving questions about applicability to Chinese higher education institutions largely unaddressed.

This study addresses these gaps by developing and testing a comprehensive model examining relationships among knowledge-oriented leadership, knowledge management, intellectual capital, organizational innovation, and organizational performance in Hainan Province higher education institutions. The research addresses four questions: (1) How does knowledge-oriented leadership influence knowledge management and intellectual capital? (2) What effects do knowledge management and intellectual capital exert on organizational innovation? (3) To what extent does organizational innovation mediate relationships between knowledge resources and performance? (4) What are the relative magnitudes of direct versus indirect pathways linking knowledge resources to performance?

Hainan Province provides a compelling setting for this investigation. Established as a provincial-level administrative region in 1988, Hainan has experienced significant educational development over recent decades. The province hosts 21 higher education institutions, including Hainan University, Hainan Normal University, and Hainan Medical University, serving approximately 230,000 students (Hainan Provincial Education Department, 2024). The 2018 announcement of the Hainan Free Trade Port initiative has intensified emphasis on education and human capital development as strategic priorities, with provincial policies targeting expansion of higher education capacity, enhancement of research capabilities, and attraction of talented faculty. This policy environment creates pressure on Hainan universities to strengthen knowledge management capabilities and innovation capacity while also providing resources and opportunities for institutional development. Examining knowledge management dynamics in this rapidly developing context offers insights relevant to universities in other developing regions facing similar transformation pressures.

This study contributes to the literature in several ways. First, it develops an integrated theoretical framework synthesizing insights from the knowledge-based view, resource-based view, and dynamic capabilities theory to explain pathways linking knowledge-oriented leadership to organizational performance. Second, it provides empirical evidence regarding the mediating role of organizational innovation in translating knowledge resources into performance outcomes. Third, it extends understanding of knowledge management dynamics to Chinese higher education, examining whether theoretical relationships established in Western contexts apply to universities characterized by distinctive cultural values and institutional arrangements. Fourth, it offers practical guidance for university administrators in Hainan and comparable contexts seeking to enhance institutional effectiveness through knowledge-centric approaches.

2. Literature Review and Hypothesis Development

2.1. Theoretical foundation

This study draws upon three complementary theoretical perspectives: the resource-based view, the knowledge-based view, and dynamic capabilities theory. The resource-based view provides foundational logic for understanding how organizational resources contribute to competitive advantage (Barney, 1991). The knowledge-based view extends this perspective by positioning knowledge as the most strategically significant resource (Grant, 1996; Nonaka & Takeuchi, 1995). Dynamic capabilities theory addresses how organizations develop and reconfigure resources to address changing environments (Teece et al., 1997), with organizational innovation representing a critical dynamic capability through which knowledge resources are leveraged to achieve performance outcomes.

Integrating these perspectives, the conceptual framework positions knowledge-oriented leadership as a critical antecedent shaping knowledge management processes and intellectual capital development. These knowledge-related resources enable organizational innovation, which serves as a dynamic capability mediating the translation of knowledge resources into organizational performance. Within Hainan's higher education context, where universities are undergoing rapid development and facing pressure to enhance capabilities to support regional economic transformation, these theoretical mechanisms are particularly relevant as institutions seek to build knowledge-based competitive advantages.

2.2. Knowledge-oriented leadership

Knowledge-oriented leadership encompasses leadership practices that emphasize and facilitate knowledge creation, acquisition, sharing, storage, and application throughout the organization (Donate & de Pablo, 2015; Lakshman, 2007). Drawing upon transformational leadership theory and empowering leadership perspectives, knowledge-oriented leadership integrates insights focusing specifically on behaviors that promote organizational learning and knowledge utilization.

Knowledge-oriented leaders articulate clear visions regarding the strategic importance of knowledge, allocate resources to support knowledge initiatives, establish structures facilitating knowledge flows, model knowledge-sharing behaviors, and recognize knowledge contributions (Naqshbandi & Jasimuddin, 2018). Through these actions, they shape organizational climates that value intellectual development and collaborative learning. Within Hainan's universities, where institutional development is proceeding rapidly, and new faculty are being recruited to support expansion, knowledge-oriented leadership may be particularly important for establishing knowledge-supportive cultures and practices.

2.3. Knowledge management in higher education

Knowledge management encompasses systematic processes through which organizations identify, capture, organize, store, share, and apply knowledge to achieve strategic objectives (Alavi & Leidner, 2001). Within higher education, knowledge management assumes distinctive characteristics: universities simultaneously generate knowledge through research, transmit knowledge through teaching, preserve knowledge through archives, and apply knowledge through community engagement.

Effective knowledge management involves interconnected processes, including knowledge creation through research and scholarly discourse, acquisition through hiring and collaboration, sharing through formal and informal mechanisms, storage in documents and organizational routines, and application to improve teaching, research, and administration (Rowley, 2000). Research consistently demonstrates positive relationships between knowledge management practices and organizational outcomes, including innovation and performance (Darroch, 2005; Inkinen, 2016).

For Hainan's universities, effective knowledge management is particularly important given the rapid institutional expansion and faculty recruitment occurring in response to Free Trade Port development. New knowledge must be integrated with existing institutional knowledge, and mechanisms for knowledge sharing across units must be established as organizations grow and diversify. Knowledge-oriented leadership emphasizes the importance and creates supportive conditions, suggesting a positive relationship with knowledge management practices.

Hypothesis 1: Knowledge-oriented leadership positively influences knowledge management in higher education institutions.

2.4. Intellectual capital in higher education

Intellectual capital refers to intangible knowledge-based assets enabling organizations to create value (Bontis, 1998; Stewart, 1997). The framework distinguishes three components. Human capital encompasses knowledge, skills, and competencies residing in individuals. Structural capital includes organizational processes, systems, and documented knowledge. Relational capital comprises knowledge embedded in relationships with external stakeholders (Subramaniam & Youndt, 2005).

Within universities, human capital manifests in faculty expertise and administrative competencies. Structural capital appears in curricula, governance systems, and institutional knowledge bases. Relational capital encompasses relationships with students, alumni, industry partners, and international collaborators (Secundo et al., 2016). For Hainan's universities seeking to enhance research capacity and international engagement to support regional development objectives, cultivation of all three intellectual capital dimensions is strategically important.

Knowledge-oriented leadership influences intellectual capital development through multiple pathways: promoting human capital through professional development and recruitment, contributing to structural capital through knowledge codification, and strengthening relational capital through external engagement (Donate & de Pablo, 2015).

Hypothesis 2: Knowledge-oriented leadership positively influences intellectual capital in higher education institutions.

2.5. Organizational innovation

Organizational innovation refers to the adoption of ideas, practices, or processes new to the adopting organization (Damanpour, 1991). Within higher education, innovation manifests across multiple domains: pedagogical innovation involving new teaching approaches and technologies; research innovation encompassing novel methodologies and interdisciplinary collaborations; administrative innovation pertaining to new management practices; and service innovation relating to new approaches to stakeholder engagement (Brennan et al., 2014).

Hainan's universities face particular pressure for innovation given provincial objectives for building research capacity and international competitiveness. The Free Trade Port initiative emphasizes innovation as essential for regional economic transformation, creating expectations that universities will develop innovative programs, research capabilities, and partnerships that contribute to development goals.

Knowledge management facilitates innovation by enhancing access to diverse knowledge sources, promoting cross-functional integration, and supporting experimentation (Chen & Huang, 2009). Similarly, intellectual capital provides the resource foundation enabling innovation through human creativity, structural infrastructure, and relational networks (Kianto et al., 2014; Subramaniam & Youndt, 2005).

Hypothesis 3: Knowledge management positively influences organizational innovation in higher education institutions.

Hypothesis 4: Intellectual capital positively influences organizational innovation in higher education institutions.

2.6. Organizational performance

Organizational performance in higher education encompasses multiple dimensions, including academic performance, research performance, administrative performance, and stakeholder satisfaction (Rowley, 2000). Organizational innovation serves as a critical driver of performance improvement across these dimensions by enabling institutions to enhance teaching effectiveness, improve research impact, increase operational efficiency, and strengthen stakeholder relationships.

Empirical research consistently demonstrates positive relationships between innovation and performance (Jansen et al., 2006). For Hainan's universities, evaluated against provincial development objectives and national quality standards, innovation-driven performance improvement is essential for institutional success.

Hypothesis 5: Organizational innovation positively influences organizational performance in higher education institutions.

2.7. Direct effects and mediation

Beyond their indirect effects through innovation, knowledge management, and intellectual capital may directly influence organizational performance. Knowledge management enhances decision quality and operational efficiency (Gold et al., 2001), while intellectual capital provides resources directly applicable to performance improvement (Bontis, 1998). These direct pathways suggest that knowledge resources contribute to performance through mechanisms beyond innovation.

Hypothesis 6: Knowledge management positively influences organizational performance in higher education institutions.

Hypothesis 7: Intellectual capital positively influences organizational performance in higher education institutions.

Building upon the relationships articulated above, organizational innovation is proposed as a mediating mechanism linking knowledge-related antecedents to performance. The dynamic capabilities perspective provides theoretical grounding: knowledge management and intellectual capital constitute foundational resources, while innovation represents a dynamic capability through which these resources are transformed into performance outcomes (Zahra & George, 2002). From this perspective, knowledge resources create necessary but insufficient conditions for performance enhancement. Translation of knowledge resources into performance improvements requires innovative processes that apply accumulated knowledge to develop new approaches and solutions (Wang & Wang, 2012). For Hainan's developing universities, this mediation mechanism suggests that building knowledge capabilities must be accompanied by developing innovation capacity to realize performance benefits.

Hypothesis 8: Organizational innovation mediates the relationship between knowledge management and organizational performance.

Hypothesis 9: Organizational innovation mediates the relationship between intellectual capital and organizational performance.

3. Method

3.1. Research design and context

This study employed a quantitative cross-sectional survey design to examine relationships among knowledge-oriented leadership, knowledge management, intellectual capital, organizational innovation, and organizational performance. The research context comprised higher education institutions in Hainan Province, China.

Hainan Province provides an appropriate setting for several reasons. As China's youngest provincial-level region, established in 1988, Hainan has experienced significant educational transformation. The province hosts 21 accredited higher education institutions, including comprehensive universities, specialized institutions, and vocational colleges, providing institutional diversity that enhances generalizability

within the Chinese context. The 2018 Hainan Free Trade Port initiative has intensified emphasis on education and human capital development, with provincial policies targeting research capacity enhancement and international talent attraction. This creates a dynamic environment where universities face pressure to strengthen knowledge management capabilities while receiving resources and policy support for institutional development.

3.2. Sample and data collection

The target population comprised administrators working in Hainan's higher education institutions. Administrators were selected because they possess a comprehensive understanding of institutional leadership practices, knowledge management processes, and organizational outcomes. The administrative designation encompassed individuals at departmental, college, and institutional levels with responsibilities in academic affairs, research management, student affairs, human resources, finance, and general administration.

A stratified random sampling approach ensured representation across institution types (public versus private), institutional levels (undergraduate-focused versus research-intensive), and geographic locations. The sampling frame was constructed from the Hainan Provincial Education Department's registry of accredited institutions. Data collection occurred through online and paper-based questionnaires over three months.

Of 520 distributed questionnaires, 412 were returned (79.2% response rate). Following screening for completeness and response quality, 386 usable responses were retained (74.2% effective response rate). Specifically, 15 responses were excluded due to incomplete data, and 11 due to failed attention checks. Non-response bias was assessed by comparing early and late respondents on key variables; no significant differences emerged, suggesting non-response bias does not threaten validity.

Sample characteristics reflected diversity across relevant dimensions. Regarding gender, 47.2% were male and 52.8% female. Age distribution showed 18.4% under 35 years, 42.2% between 35 and 45 years, 28.5% between 45 and 55 years, and 10.9% over 55 years. Educational attainment indicated 8.3% held bachelor's degrees, 52.1% master's degrees, and 39.6% doctoral degrees. Administrative experience averaged 11.7 years (SD = 6.8). Institution type distribution showed 64.2% from public and 35.8% from private institutions.

3.3. Measurement instruments

All constructs were measured using validated scales adapted from prior research. Items were translated from English to Chinese following back-translation procedures (Brislin, 1970). A pilot study with 45 administrators assessed item clarity and measurement appropriateness, resulting in minor refinements. The survey comprised 57 items across five constructs, with an estimated completion time of 15-20 minutes.

Knowledge-oriented leadership was measured using eight items adapted from Donate and de Pablo (2015) and Lakshman (2007), capturing behaviors including communicating knowledge importance, allocating resources to knowledge initiatives, and modeling knowledge sharing. Knowledge management was assessed using 15 items from Gold et al. (2001) and Chen and Huang (2009), encompassing knowledge creation, acquisition, sharing, storage, and application. Intellectual capital was measured using 12 items from Bontis (1998) and Subramaniam and Youndt (2005), capturing human, structural, and relational capital. Organizational innovation was assessed using 10 items adapted from Jansen et al. (2006), addressing pedagogical, research, administrative, and service innovation. Organizational performance was measured using 12 items from Rowley (2000), encompassing academic, research, administrative, and stakeholder satisfaction dimensions. All items used seven-point Likert scales.

34. Common method bias assessment

Given the self-reported data, common method bias was assessed through multiple approaches following recommendations by Podsakoff et al. (2003). Procedural remedies included protecting respondent anonymity, separating predictor and criterion measures in the questionnaire, and using different scale endpoints. Statistical remedies included Harman's single-factor test, which indicated the first unrotated factor explained only 31.4% of variance, below the 50% threshold, suggesting problematic bias. Full collinearity assessment showed all variance inflation factor values below 3.3 (Kock, 2015). Marker variable analysis revealed minimal correlations between a theoretically unrelated variable and substantive constructs. Collectively, these assessments suggest common method bias does not substantially threaten validity.

3.5. Data analysis

Partial least squares structural equation modeling (PLS-SEM) was employed using SmartPLS 4.0 (Ringle et al., 2022). PLS-SEM was selected because it performs well with complex models involving multiple constructs and emphasizes prediction and theory development (Hair et al., 2022). Analysis proceeded in two stages: measurement model assessment, examining reliability and validity, followed by structural model evaluation, testing hypothesized relationships using bootstrapping with 5,000 resamples.

4. Results

4.1. Measurement model assessment

The measurement model was evaluated for internal consistency reliability, convergent validity, and discriminant validity. As shown in Table 1, all constructs exhibited strong reliability with composite reliability values ranging from 0.918 to 0.936 and Cronbach's alpha values ranging from 0.897 to 0.921, exceeding the 0.70 threshold. Convergent validity was confirmed as all factor loadings exceeded 0.70 and average variance extracted values exceeded 0.50.

Table 1: Measurement Model Results

Construct	CR	AVE	α
Knowledge-Oriented Leadership	0.936	0.647	0.921
Knowledge Management	0.928	0.589	0.912
Intellectual Capital	0.924	0.612	0.907
Organizational Innovation	0.918	0.628	0.897
Organizational Performance	0.931	0.672	0.917

Note. CR = composite reliability; AVE = average variance extracted; α = Cronbach's alpha.

Discriminant validity was assessed using the heterotrait-monotrait (HTMT) ratio. As shown in Table 2, all HTMT values were below the 0.85 threshold, indicating constructs were empirically distinct (Henseler et al., 2015).

Table 2: Discriminant Validity: Heterotrait-Monotrait Ratios

Construct	KOL	KM	IC	OI	OP
KOL	—				
KM	0.724	—			
IC	0.698	0.793	—		
OI	0.612	0.687	0.714	—	
OP	0.583	0.641	0.668	0.729	—

Note. KOL = knowledge-oriented leadership; KM = knowledge management; IC = intellectual capital; OI = organizational innovation; OP = organizational performance. The upper triangle of the correlation matrix is shown.

4.2. Structural model assessment

Before hypothesis testing, the structural model was evaluated for multicollinearity, explanatory power, and predictive relevance. Variance inflation factor values ranged from 1.42 to 2.67, indicating no multicollinearity concerns. Control variables showed institution type had no significant effect on performance, while institution size exhibited a small positive effect ($\beta = 0.08$, $p < .05$). Position level, tenure, age, and education showed no significant effects.

The model demonstrated substantial explanatory power. Knowledge-oriented leadership explained 41.2% of the variance in knowledge management ($R^2 = 0.412$) and 38.4% in intellectual capital ($R^2 = 0.384$). Knowledge management, intellectual capital, and organizational innovation jointly explained 46.7% of the variance in organizational performance ($R^2 = 0.467$). Organizational innovation showed $R^2 = 0.521$ with knowledge management and intellectual capital as predictors. Following Hair et al. (2022), R^2 values of 0.25, 0.50, and 0.75 represent weak, moderate, and substantial explanatory power, respectively; thus, all endogenous constructs demonstrated moderate to substantial explanation. All Stone-Geisser Q^2 values were positive (ranging from 0.298 to 0.387), confirming predictive relevance. According to Hair et al. (2022), Q^2 values above 0, 0.25, and 0.50 indicate small, medium, and large predictive relevance, respectively; the obtained values indicate medium predictive relevance across endogenous constructs.

4.3. Hypothesis testing

Hypotheses were tested using bootstrapping with 5,000 resamples. Knowledge-oriented leadership exhibited strong positive effects on knowledge management ($\beta = 0.642$, $t = 14.23$, $p < .001$) and intellectual capital ($\beta = 0.620$, $t = 13.87$, $p < .001$), supporting Hypotheses 1 and 2. Knowledge management ($\beta = 0.398$, $t = 7.82$, $p < .001$) and intellectual capital ($\beta = 0.367$, $t = 7.14$, $p < .001$) both positively influenced organizational innovation, supporting Hypotheses 3 and 4. Organizational innovation had a strong positive effect on organizational performance ($\beta = 0.541$, $t = 10.92$, $p < .001$), supporting Hypothesis 5. The direct effects of knowledge management on performance ($\beta = 0.183$, $t = 3.67$, $p < .001$) and intellectual capital on performance ($\beta = 0.167$, $t = 3.21$, $p < .01$) were both significant, supporting Hypotheses 6 and 7.

Effect size assessment using Cohen's f^2 indicated knowledge-oriented leadership exerted large effects on knowledge management ($f^2 = 0.312$) and intellectual capital ($f^2 = 0.287$). Following Cohen's (1988) benchmarks, where f^2 values of 0.02, 0.15, and 0.35 represent small, medium, and large effects, respectively, these values approach the large effect threshold. Organizational innovation showed a medium effect on performance ($f^2 = 0.243$).

4.4. Mediation analysis

Mediation was examined using bias-corrected bootstrapping with 5,000 resamples. For the knowledge management to performance relationship, the indirect effect through innovation was significant ($\beta = 0.215$; 95% CI [0.147, 0.289]). The direct effect remained significant ($\beta = 0.183$, $p < .001$), indicating partial mediation and supporting Hypothesis 8. The variance accounted for (VAF) was 54.0%, calculated as the indirect effect divided by the total effect ($0.215 / 0.398 = 0.540$), indicating that innovation explains more than half of the total effect of knowledge management on performance.

Similarly, for the intellectual capital to performance relationship, the indirect effect through innovation was significant ($\beta = 0.198$; 95% CI [0.134, 0.271]), with a significant direct effect ($\beta = 0.167$, $p < .01$), indicating partial mediation and supporting Hypothesis 9. The VAF was 54.2% ($0.198 / 0.365 = 0.542$), again indicating that innovation explains more than half of the total effect. Following Hair et al. (2022), VAF values between 20% and 80% suggest partial mediation, which aligns with the obtained results. All nine hypotheses received empirical support, confirming the integrated model linking knowledge-oriented leadership to performance through knowledge management, intellectual capital, and organizational innovation.

5. Discussion

This study investigated relationships among knowledge-oriented leadership, knowledge management, intellectual capital, organizational innovation, and organizational performance within Hainan Province higher education institutions. The findings support all proposed hypotheses, confirming an integrated model in which knowledge-oriented leadership influences knowledge management and intellectual capital, which in turn affect organizational performance both directly and indirectly through organizational innovation.

The strong influence of knowledge-oriented leadership on both knowledge management and intellectual capital represents a central finding. The substantial effect magnitudes indicate that leadership orientation toward knowledge constitutes a foundational determinant of institutional knowledge capabilities. These findings extend prior research demonstrating leadership's enabling function for knowledge management (Donate & de Pablo, 2015; Naqshbandi & Jasimuddin, 2018) to the Chinese higher education context. Leaders who articulate the importance, allocate resources to knowledge initiatives, and model knowledge-sharing behaviors substantially shape institutional capacity for creating, managing, and leveraging knowledge resources.

Within Hainan's universities, characterized by rapid development and expansion in response to Free Trade Port objectives, knowledge-oriented leadership may be particularly consequential. As institutions recruit new faculty, establish new programs, and expand research capacity, leaders who prioritize knowledge development can establish knowledge-supportive cultures and practices that might otherwise

fail to develop amid rapid organizational change. The hierarchical administrative structures characteristic of Chinese universities (Marginson, 2011; Zha, 2009) may amplify leadership influence, as leadership decisions substantially shape institutional priorities and resource allocation.

The positive effects of knowledge management and intellectual capital on organizational innovation confirm that knowledge-related resources constitute important foundations for innovative capacity. Effective knowledge management practices provide access to diverse knowledge sources and support experimentation underlying innovation. Intellectual capital provides the human expertise, structural infrastructure, and relational networks enabling innovative activity. For Hainan's universities facing pressure to develop innovative programs and research capabilities that contribute to regional development, these findings underscore the importance of building knowledge foundations that enable innovation.

The strong effect of organizational innovation on organizational performance highlights innovation's central importance for university effectiveness. This represents the largest direct effect in the structural model, confirming that universities engaging in pedagogical, research, administrative, and service innovation achieve superior outcomes. For Hainan's institutions evaluated against provincial development objectives and national quality standards, innovation capacity is essential for institutional success.

The partial mediation findings illuminate mechanisms through which knowledge resources translate into performance. Organizational innovation serves as one important mechanism, accounting for approximately 54% of the total effects, but significant direct effects indicate knowledge resources also influence performance through other pathways, such as improved decision quality and operational efficiency. The partial rather than full mediation extends theoretical understanding by suggesting that models positioning innovation as the sole mechanism linking knowledge to performance may be incomplete.

Comparison with prior research reveals largely consistent findings while extending understanding to the Chinese higher education context. The positive relationships observed align with findings from Western organizational contexts (Chen & Huang, 2009; Subramaniam & Youndt, 2005), suggesting that knowledge management theory applies across cultural settings. However, the particularly strong leadership effects may reflect the hierarchical structures of Chinese universities that amplify leadership influence, combined with Confucian cultural values emphasizing respect for knowledge and authority.

5.1. Theoretical implications

This study makes several contributions to theoretical understanding. First, the integrated framework synthesizing knowledge-oriented leadership, knowledge management, intellectual capital, organizational innovation, and organizational performance provides a comprehensive perspective on pathways through which knowledge-centric approaches influence institutional outcomes. This framework bridges previously separate research streams on leadership, knowledge management, and innovation.

Second, confirmation of organizational innovation as a partial mediator contributes to understanding how knowledge resources translate into performance. The dynamic capabilities perspective receives empirical support in demonstrating that innovation processes serve as one mechanism through which knowledge assets generate performance improvements. However, partial mediation indicates that knowledge resources also influence performance through non-innovation pathways, extending theoretical understanding.

Third, the study extends knowledge management research to Chinese higher education, demonstrating that theoretical relationships established in Western contexts apply to universities with distinctive cultural values and institutional arrangements. The strong leadership effects suggest that hierarchical structures and Confucian values may amplify leadership influence, though comparative research is needed to confirm differential magnitudes.

Fourth, the study contributes to higher education management literature by illuminating specific leadership behaviors promoting knowledge-based capabilities. Knowledge-oriented leadership represents a leadership approach particularly relevant to universities as knowledge-intensive organizations, and its substantial effects suggest this construct captures behaviors consequential for university effectiveness.

Fifth, integration of resource-based, knowledge-based, and dynamic capabilities perspectives provides a theoretically robust foundation for understanding knowledge-performance relationships. This multi-theoretic approach acknowledges that knowledge-based competitive advantage requires both resource accumulation and resource transformation through innovation.

5.2. Practical implications

The findings offer practical implications for university administrators and policymakers in Hainan and comparable contexts. Developing knowledge-oriented leadership capabilities should be a strategic priority. The substantial effects on both knowledge management and intellectual capital indicate that investments in leadership development yield multiplicative benefits. Hainan's universities should incorporate knowledge leadership competencies into selection criteria for administrative positions and provide professional development emphasizing knowledge leadership skills. Performance evaluation should incorporate knowledge leadership behaviors alongside traditional metrics.

Systematic investment in knowledge management infrastructure and practices merits prioritization. Universities should develop integrated platforms facilitating knowledge codification, storage, and sharing. Given rapid institutional expansion in Hainan, attention to cross-functional knowledge exchange is essential to prevent knowledge silos as organizations grow. Formal mechanisms, including communities of practice and mentorship programs, support knowledge sharing, while informal sharing can be encouraged through relationship-building opportunities.

Deliberate cultivation of intellectual capital across human, structural, and relational dimensions warrants attention. Human capital enhancement through strategic recruitment, particularly targeting scholars with diverse expertise, aligns with Hainan's objectives for building research capacity. Structural capital development through documentation of institutional knowledge supports organizational learning. Relational capital cultivation through industry partnerships and international collaborations expands institutional networks.

Creating innovation-supportive environments is essential. Given innovation's strong effect on performance, universities should establish mechanisms encouraging innovative activity, including innovation funding, dedicated experimentation time, and recognition programs. Cultural conditions supporting calculated risk-taking and learning from failure should be cultivated.

Performance management systems should incorporate knowledge-related metrics. Beyond conventional indicators, universities should track knowledge management effectiveness, intellectual capital development, and innovation outputs. Balanced approaches incorporating knowledge dimensions guide resource allocation toward knowledge-based institutional improvement.

Provincial policymakers should consider knowledge management capabilities when designing institutional evaluation criteria. Incorporating assessment of knowledge processes and innovation capacity would encourage comprehensive capability development rather than a

narrow focus on traditional metrics. Inter-university knowledge-sharing mechanisms would strengthen Hainan's higher education system collectively.

5.3. Limitations and future research

This study has several limitations, suggesting directions for future research. First, the cross-sectional design limits causal inference. Although the theoretical framework and empirical findings suggest proposed directional relationships, longitudinal research tracking institutions over multiple periods would provide stronger causal evidence and enable examination of how relationships develop over time.

Second, the single-province context limits generalizability. Hainan's distinctive characteristics as China's youngest provincial region, undergoing rapid development, may create conditions atypical of more established provinces. Future research should examine whether observed relationships replicate across Chinese provinces with different developmental stages and institutional compositions. Cross-national research would assess broader generalizability and enable examination of cultural moderators.

Third, reliance on self-reported data from administrators introduces potential limitations. Although statistical assessments did not indicate problematic common method variance, administrators may assess their institutions more favorably than would other stakeholders. Future research employing multiple informant designs and incorporating objective performance indicators would provide more robust evidence.

Fourth, the relatively high proportion of doctoral degree holders (39.6%) may introduce selection bias, as administrators with advanced degrees may hold more favorable views toward knowledge-oriented practices. Fifth, cross-sectional performance measurement may not capture longer-term implications of knowledge investments that require extended time horizons to materialize.

Sixth, examination of organizational innovation as an aggregate construct may obscure differential relationships for specific innovation types. Future research might disaggregate pedagogical, research, administrative, and service innovation to examine whether different forms demonstrate different relationships with antecedents and outcomes.

Seventh, potential moderating influences were not examined. Institutional culture, competitive intensity, resource availability, and environmental dynamism might strengthen or attenuate focal relationships. Investigation of boundary conditions would enhance theoretical precision and practical relevance. Future research should employ longitudinal designs, comparative approaches across provinces and nations, multiple informant designs, and examination of moderating factors. Mixed-methods approaches combining quantitative and qualitative inquiry would provide a deeper understanding of processes underlying observed relationships.

6. Conclusion

This study provides empirical evidence for an integrated model linking knowledge-oriented leadership to organizational performance in Hainan Province higher education institutions through knowledge management, intellectual capital, and organizational innovation. Survey data from 386 university administrators yielded support for all nine hypothesized relationships.

Three key insights emerge. First, leadership orientation toward knowledge constitutes a foundational determinant of institutional knowledge capabilities. Knowledge-oriented leadership demonstrated substantial effects on both knowledge management and intellectual capital, indicating that leaders who emphasize knowledge importance substantially shape institutional capacity for creating, managing, and leveraging knowledge resources. For Hainan's rapidly developing universities, cultivating knowledge-oriented leadership represents a high-leverage intervention point.

Second, organizational innovation serves as a critical mechanism translating knowledge resources into performance outcomes. The strong direct effect of innovation on performance and significant indirect effects through innovation indicate that innovation processes are essential for converting accumulated knowledge into institutional improvements. Knowledge accumulation alone is insufficient; universities must develop innovation capabilities that apply accumulated knowledge to generate performance benefits.

Third, theoretical relationships established in Western contexts operate effectively within Chinese higher education, suggesting cross-cultural applicability of knowledge management principles while highlighting the need for contextually informed implementation. The strong leadership effects observed may reflect hierarchical structures and cultural values that amplify leadership influence in Chinese universities.

In an era when higher education institutions face intensifying competitive pressures, the strategic management of knowledge resources assumes critical importance. Hainan's universities, confronting ambitious development objectives under the Free Trade Port initiative, face particular pressure to enhance institutional effectiveness. The pathways illuminated in this study offer guidance for administrators seeking to respond through knowledge-centric approaches.

Universities that cultivate knowledge-oriented leadership, implement effective knowledge management practices, develop comprehensive intellectual capital, and foster organizational innovation position themselves for sustained success. The framework developed and tested in this study provides both a theoretical foundation and practical direction for this essential endeavor, while extending understanding to a rapidly developing provincial context with implications for universities in comparable settings.

References

[1] Alavi, M., & Leidner, D. E. (2001). Knowledge management and knowledge management systems: Conceptual foundations and research issues. MIS Quarterly, 25(1), 107–136. https://doi.org/10.2307/3250961.

[2] Barney, J. (1991). Firm resources and sustained competitive advantage. Journal of Management, 17(1), 99–120. https://doi.org/10.1177/014920639101700108.

[3] Bontis, N. (1998). Intellectual capital: An exploratory study that develops measures and models. Management Decision, 36(2), 63–76. https://doi.org/10.1108/00251749810204142.

[4] Brennan, J., Broek, S., Durazzi, N., Kamphuis, B., Ranga, M., & Ryan, S. (2014). Study on innovation in higher education: Final report. Publications Office of the European Union.

[5] Brislin, R. W. (1970). Back-translation for cross-cultural research. Journal of Cross-Cultural Psychology, 1(3), 185–216. https://doi.org/10.1177/135910457000100301.

[6] Chen, C. J., & Huang, J. W. (2009). Strategic human resource practices and innovation performance: The mediating role of knowledge management capacity. Journal of Business Research, 62(1), 104–114. https://doi.org/10.1016/j.jbusres.2007.11.016.

[7] Cohen, J. (1988). Statistical power analysis for the behavioral sciences (2nd ed.). Lawrence Erlbaum Associates.

[8] Damanpour, F. (1991). Organizational innovation: A meta-analysis of effects of determinants and moderators. Academy of Management Journal, 34(3), 555–590. https://doi.org/10.5465/256406.

[9] Darroch, J. (2005). Knowledge management, innovation, and firm performance. Journal of Knowledge Management, 9(3), 101–115. https://doi.org/10.1108/13673270510602809.
[10] Donate, M. J., & de Pablo, J. D. S. (2015). The role of knowledge-oriented leadership in knowledge management practices and innovation. Journal of Business Research, 68(2), 360–370. https://doi.org/10.1016/j.jbusres.2014.06.022.
[11] Gold, A. H., Malhotra, A., & Segars, A. H. (2001). Knowledge management: An organizational capabilities perspective. Journal of Management Information Systems, 18(1), 185–214. https://doi.org/10.1080/07421222.2001.11045669.
[12] Grant, R. M. (1996). Toward a knowledge-based theory of the firm. Strategic Management Journal, 17(S2), 109–122. https://doi.org/10.1002/smj.4250171110.
[13] Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2022). A primer on partial least squares structural equation modeling (PLS-SEM) (3rd ed.). Sage Publications. https://doi.org/10.1007/978-3-030-80519-7.
[14] Hainan Provincial Education Department. (2024). Hainan Province higher education development report. Hainan Provincial Government.
[15] Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. Journal of the Academy of Marketing Science, 43(1), 115–135. https://doi.org/10.1007/s11747-014-0403-8.
[16] Inkinen, H. (2016). Review of empirical research on knowledge management practices and firm performance. Journal of Knowledge Management, 20(2), 230–257. https://doi.org/10.1108/JKM-09-2015-0336.
[17] Jansen, J. J., Van Den Bosch, F. A., & Volberda, H. W. (2006). Exploratory innovation, exploitative innovation, and performance: Effects of organizational antecedents and environmental moderators. Management Science, 52(11), 1661–1674. https://doi.org/10.1287/mnsc.1060.0576.
[18] Kianto, A., Ritala, P., Spender, J. C., & Vanhala, M. (2014). The interaction of intellectual capital assets and knowledge management practices in organizational value creation. Journal of Intellectual Capital, 15(3), 362–375. https://doi.org/10.1108/JIC-05-2014-0059.
[19] Kock, N. (2015). Common method bias in PLS-SEM: A full collinearity assessment approach. International Journal of e-Collaboration, 11(4), 1–10. https://doi.org/10.4018/ijec.2015100101.
[20] Lakshman, C. (2007). Organizational knowledge leadership: A grounded theory approach. Leadership & Organization Development Journal, 28(1), 51–75. https://doi.org/10.1108/01437730710718245.
[21] Marginson, S. (2011). Higher education in East Asia and Singapore: Rise of the Confucian model. Higher Education, 61(5), 587–611. https://doi.org/10.1007/s10734-010-9384-9.
[22] Naqshbandi, M. M., & Jasimuddin, S. M. (2018). Knowledge-oriented leadership and open innovation: Role of knowledge management capability in France-based multinationals. International Business Review, 27(3), 701–713. https://doi.org/10.1016/j.ibusrev.2017.12.001.
[23] Nonaka, I., & Takeuchi, H. (1995). The knowledge-creating company: How Japanese companies create the dynamics of innovation. Oxford University Press. https://doi.org/10.1093/oso/9780195092691.001.0001.
[24] Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. Journal of Applied Psychology, 88(5), 879–903. https://doi.org/10.1037/0021-9010.88.5.879.
[25] Ringle, C. M., Wende, S., & Becker, J. M. (2022). SmartPLS 4. SmartPLS GmbH. https://www.smartpls.com.
[26] Rowley, J. (2000). Is higher education ready for knowledge management? International Journal of Educational Management, 14(7), 325–333. https://doi.org/10.1108/09513540010378978.
[27] Secundo, G., Dumay, J., Schiuma, G., & Passiante, G. (2016). Managing intellectual capital through a collective intelligence approach: An integrated framework for universities. Journal of Intellectual Capital, 17(2), 298–319. https://doi.org/10.1108/JIC-05-2015-0046.
[28] Stewart, T. A. (1997). Intellectual capital: The new wealth of organizations. Doubleday.
[29] Subramaniam, M., & Youndt, M. A. (2005). The influence of intellectual capital on the types of innovative capabilities. Academy of Management Journal, 48(3), 450–463. https://doi.org/10.5465/amj.2005.17407911.
[30] Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. Strategic Management Journal, 18(7), 509–533. https://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z.
[31] Wang, Z., & Wang, N. (2012). Knowledge sharing, innovation and firm performance. Expert Systems with Applications, 39(10), 8899–8908. https://doi.org/10.1016/j.eswa.2012.02.017.
[32] Zahra, S. A., & George, G. (2002). Absorptive capacity: A review, reconceptualization, and extension. Academy of Management Review, 27(2), 185–203. https://doi.org/10.5465/amr.2002.6587995.
[33] Zha, Q. (2009). Diversification or homogenization: How governments and markets have combined to (re)shape Chinese higher education in its recent massification process. Higher Education, 58(1), 41–58. https://doi.org/10.1007/s10734-008-9180-y.