The Mediating Role of Knowledge Management in the Relationship between Strategic Leadership and Institutional Excellence in Insurance Companies

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Abstract:

The study aimed to examine the role of strategic leadership in achieving institutional excellence through knowledge management in Yemeni insurance companies located in Sana'a. The descriptive method was employed, both analytical and correlational, with a questionnaire used as the primary tool for data collection from all senior executives in Yemeni insurance companies in Sana'a, totaling 266 individuals. Data were processed using SPSS and SmartPLS4, applying statistical packages designed for social and human sciences. The study reached several key findings, most notably: a high level of strategic leadership, knowledge management, and institutional excellence within Yemeni insurance companies; a direct effect of strategic leadership on both institutional excellence and knowledge management; and a partial mediating role of knowledge management in the relationship between strategic leadership and institutional excellence. Based on these results, the researchers recommend strengthening knowledge management to enable strategic leadership to achieve institutional excellence.

Keywords: *Strategic Leadership, Knowledge Management, Institutional Excellence, Insurance Companies.*

1. Introduction

Business organizations face numerous challenges as a result of rapid environmental changes across all fields. This has increased their interest in exploring and focusing on strategic orientations that align with these changes. Institutional excellence is at the forefront of these orientations, as organizations rely on it to strengthen their position and competitive capabilities in facing such challenges.

Institutional excellence is considered a central goal that organizations inevitably pursue in light of the fluctuations and transformations in both local and international business markets. Only distinguished organizations can navigate such competitiveness (Al-Mohammadi, 2025). It is also a primary objective for any organization seeking to achieve the highest levels of profitability and competitiveness, as it represents the most advanced level of human intellectual activity. Developing employees is one of the outcomes of strategic leadership (Al-swaitti & Awda, 2024).

Strategic leadership is regarded as the foundation of organizational work. It organizes goals and activities and enables organizations to achieve institutional excellence (Al-Jahni & Rakha, 2025). It is also considered the cornerstone of organizational success and development (Al-Maydama & Al-Qutaybi, 2024). Strategic leadership possesses the ability to anticipate the future and to formulate and implement strategies that generate knowledge, thereby achieving institutional excellence and securing a stronger position and greater value for the organization (Sweiss & qubbaj, 2021), Strategic orientation is fundamental in navigating complexities, as it anticipates trends, enables informed decision-making, and fosters institutional excellence through accountability mechanisms and knowledge processes (Ferede et al., 2024). In this context, the efficacy of strategic leadership is inextricably linked to its ability to harness and manage knowledge as the primary driver for organizational success and modernization.

Knowledge is the true backbone of today's organizations and a purposeful managerial tool for adapting to contemporary requirements. Knowledge is the most critical resource for wealth creation, institutional excellence, and innovation, especially in light of intellectual developments such as globalization, privatization, the information revolution, and the expansion of diverse human societies (Sadaoui & Dahmani, 2023).

Strategic leadership is the primary driver for guiding the institutional path in companies, playing a vital role in formulating visions that enable these firms to navigate market complexities and increasing risks. The efficacy of this leadership is evident in its ability to build a supportive environment for knowledge management processes, which in turn contribute to transforming insurance data and technical expertise into intellectual assets that support informed decision-making (Anggraeni et al., 2023). This close link between leadership thought and knowledge practice is the fundamental guarantee for achieving institutional excellence; it allows insurance companies to enhance their strategic agility and develop innovative services that align with contemporary requirements (Arokodare et al., 2024). Thus, leadership investment in intellectual capital and its activation through accountability mechanisms and continuous learning becomes the only way to ensure sustainable excellence and create added value in the modern financial sector (Sazly et al., 2025).

Yemeni insurance companies face numerous challenges and obstacles due to intense competition, the continuous diversification of customer needs and preferences, as well as ongoing risks and crises in Yemen.

Reports and indicators issued by the Yemeni Insurance Federation (2024) revealed weak performance levels and a noticeable decline in premium growth rates among Yemeni insurance companies (Yemen Insurance Federation, 2025). Furthermore, statistics on insurance premiums for 2024–2025 issued by the General Arab Insurance Federation showed that Yemen ranked last among Arab countries in terms of total insurance premiums (Arab General Insurance Federation, 2025).

Exploratory study results, based on interviews with several senior managers in Yemeni insurance companies and field observations, revealed clear shortcomings in strategic orientation, knowledge management, and institutional performance. These weaknesses negatively impacted the performance of insurance companies, thereby reducing their excellence and competitive capacity.

Moreover, the research gap identified in previous studies highlighted the absence of a comprehensive and integrated study examining the relationship between strategic leadership and institutional excellence, while testing the mediating role of knowledge management in insurance institutions. This is the unique contribution of the current study.

2. Literature Review and Hypotheses Development

2.1. Literature Review

2.1..1. Strategic Leadership

The concept of strategic leadership has gained significant importance in the business world, as it is considered one of the modern concepts in management literature. This importance stems from rapid environmental changes.

Strategic leadership is “a decision-making activity to achieve a predetermined company plan and has an important role in the uncertainty of conditions within the company” (Anggraeni et al., 2023, p. 103). SI is “a company's capacity to respond rapidly and strategically to emerging signals and shifting conditions in its business environment in order to ensure its business survival and achieve superior returns relative to its competition” (Arokodare et al., 2024, p. 26).

Sazly et al. (2025) identified five core competencies of strategic leadership: strategic orientation, strategy implementation, strategic alignment, and the development of strategic capabilities. These skills are critical in enabling organizations to respond swiftly and wisely to changes, which represents a primary responsibility of strategic leaders.

2.1..2. Knowledge Management

The field of knowledge management has witnessed significant developments in recent years, particularly with the integration of artificial intelligence and information technology. This convergence of AI and knowledge management has played a pivotal role in improving processes and enhancing decision-making capabilities within organizations (Kamalruzaman et al., 2025). Knowledge Management Systems have played a crucial role in facilitating the acquisition, storage, and use of knowledge, which are essential for effective decision-making and maintaining competitiveness (Valencia et al., 2024). Knowledge management is a fundamental pillar of an organization's ideology in the Knowledge Age. The rise of knowledge management is a reality, and if implemented correctly, it can deliver substantial value to the organization's (Al-swaitti & Awda, 2024).

Knowledge management (KM) as “a concerned with the entire process of discovering and the creation of knowledge, dissemination of knowledge and the utilization of knowledge” (Sokoh & Okolie, 2021, p. 283).

2.1..3. Institutional Excellence

Excellence is based on a conceptual framework that emphasizes integration and interconnection, adopting a systems-thinking approach that views the organization as a cohesive entity composed of interactive elements and intertwined mechanisms, where outputs are the result of the organization’s collective capabilities.

It is defined as “The organization’s ability to select the best human resources and achieve high levels of success, innovation, and excellence in its leadership, strategies, and operations, producing high-quality outputs that surpass those of peer organizations” (Al-Amri & Rajeh, 2025, p. 33). Al-Mohammadi (2025, p. 177) defines it as "The coordination and unification of efforts, tasks, and activities, along with the presence of organizational principles such as specialization, division of labor, authority and responsibility, supervision, guidance, and unity of command, all aligned with a specific goal and the necessary activities to achieve distinguished objectives, supported by qualified and trained personnel". Amtileq (2024, p. 210) describes it as "A state of superiority in the comprehensive system of institutional performance and the practical implementation of that system, resulting in outstanding outcomes for stakeholders".

2.2. Hypotheses Development

2.2..1. *Strategic Leadership and Knowledge Management:* Several studies have explored the relationship between strategic leadership and knowledge management. Sana (2020) showed a strong role of strategic leadership in developing knowledge within the Ouis Sat Group in Algeria. Al-Maqrami (2020) concluded that strategic leadership affects knowledge management in universities in Yemen. Ferede et al. (2024) confirmed a positive relationship between leadership and knowledge management.

2.2..2. *Knowledge Management and Institutional Excellence:* Many studies have addressed the link between knowledge management and institutional excellence. Al-Swaitti and Awda (2024) found a statistically significant impact of knowledge management on achieving institutional excellence at the Palestinian General Personnel Council. Sadaoui and Dahmani (2023) revealed a strong influence of knowledge management processes on strategic success and a positive correlation with its dimensions at Mobilis Bashar in Algeria. Khayrah and Abdel-Qader (2021) found that combined knowledge management processes contribute to institutional excellence quality at the Social Security Institution.

2.2..3. *Strategic Leadership and Institutional Excellence*: Numerous studies have examined the relationship between strategic leadership and institutional excellence. For instance, Youssouf and Kassim (2025) revealed the Impact of Strategic Management Practices on the Performance of SMEs in the Western Region of Saudi Arabia, Al-Maydama and Al-Qutaybi (2024) found a positive role of strategic leadership in improving institutional performance in Yemeni banks. Awad et al. (2024) revealed the impact of strategic leadership practices on enhancing competitive advantage within the organization in Saudi Arabia. AlMughiri and Dehliz (2023) revealed the impact of strategic leadership practices on institutional excellence at the Ministry of

Commerce in Oman. Al-Zahrani and Shuaibi (2023) concluded that strategic leadership plays a positive role in achieving institutional excellence at the National Center in Jeddah.

2.2..4. *The Mediating Role of Knowledge Management*: Several studies highlight the mediating role of knowledge management and strategic leadership in organizational outcomes. Othman and Lizam (2025) showed that strategic leadership mediates the link between knowledge management and competitiveness, while Ferede et al. (2024) found that knowledge management partially mediates the relationship between strategic leadership and change management. Anggraeni et al. (2023) demonstrated that strategic leadership enhances competitive advantage, especially when intellectual capital acts as a mediator. Consistently, Al-Maqrami (2020) revealed that knowledge management partially mediates between strategic leadership and intellectual capital development. Finally, Al-Thaqafi (2020) confirmed that knowledge management strengthens the impact of transformational leadership on administrative empowerment.

Based on the above, the researchers developed the following hypotheses:

- ***H₁***: *Strategic leadership has an effect on knowledge management.*
- ***H₂***: *Knowledge management has an effect on institutional excellence.*
- ***H₃***: *Strategic leadership has an effect on institutional excellence.*
- ***H₄***: *Strategic leadership affects institutional excellence through the mediating role of knowledge management.*

These hypotheses are illustrated in the conceptual model of the study as shown below.

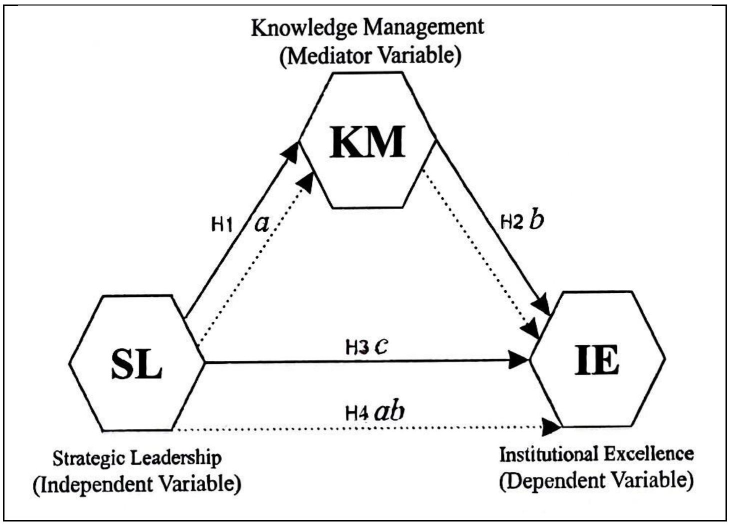

Figure 1. Conceptual Model of the Study

Figure 1. illustrates the relationships between strategic leadership, knowledge management, and institutional excellence, with arrows representing the four hypotheses (H_1–H_4), including the mediating role of knowledge management.

3. Methodology

3.1. Methods

The study adopted a quantitative methodology in both its descriptive and analytical forms, as this approach is considered most suitable for testing relationships among variables and interpreting complex administrative phenomena in educational institutions (Al-Assaf, 2016); (Creswell, 2022). In line with the adopted methodologies, this study employs a descriptive and explanatory design, utilizes a cross-sectional approach, and applies quantitative methods. The primary focus is on exploring the causal relationships among strategic leadership, knowledge management, and institutional excellence.

3.2. Community and Sample

The study population consisted of all senior administrative leaders in Yemeni insurance companies, totaling 291 individuals across 15 insurance companies in the capital city of Sana'a. Due to the relatively small size of the population, a comprehensive survey (census approach) was employed to include all members of the study population.

Table 1. Sample Size in Relation to the Study Population

No.	***Company Name***	***Population***	***Sample***	***%***
1	*Mareb Yemen Insurance Company*	26	26	%100
2	*Yemen General Insurance Company*	18	16	%88.89
3	*United Insurance Company*	22	21	%95.45
4	*Yemen Insurance Company*	12	11	%91.66
5	*Sheba Yemen Insurance Company*	12	11	%91.66
6	*Aman Insurance Company*	32	31	%96.87
7	*National Insurance Company*	13	12	%92.30
8	*Trust Yemen Insurance & Reinsurance Co.*	16	13	%81.25
9	*Islamic Insurance Company*	27	25	%92.59
10	*Al-Jazeera Insurance & Reinsurance Co.*	14	12	%85.71
11	*Specialized Medical Insurance Company*	23	20	%86.95
12	*Yemeni Qatari Insurance Company*	15	14	%93.33
13	*CAC Insurance Company*	33	30	%90.91
14	*International Medical Insurance Company*	15	14	%93.33
15	*Global Insurance Company*	13	10	%76.92
Total		**291**	**266**	**%91.41**

The data in Table 1. reveals that the study sample comprised 266 respondents out of a total population of 291, achieving a high overall response rate of 91.41%. With individual company response rates ranging from 76.92% to 100%, these figures indicate a robust and comprehensive representation of the study population. This high level of participation enhances the statistical reliability of the findings and supports their generalizability across the Yemeni insurance sector.

3.3. Tool and Data Collection

The study adopted a questionnaire as the primary tool for collecting the necessary data and information. It was designed in accordance with the objectives of the study, following a comprehensive review of the relevant literature and previous studies. The questionnaire consisted of 66 items distributed across three main dimensions: strategic leadership, knowledge management, and institutional excellence, in alignment with the nature of the activities of Yemeni insurance companies under investigation. Fieldwork was conducted in the companies during the period from September 12 to October 30, 2025. A total of 291 questionnaires were distributed, of which 278 were returned. Among these, 266 were valid for analysis, representing a response rate of 91.41%.

3.4. Measurements

The study adopted the seven-point Likert scale for scoring, as shown in Table 2.

Table 2. shows the scale and verbal indicators

Value	***Option***	***Relative Weighting***	***Verbal Significance***
1	Strongly Disagree	1.0 – 1.86	Very Low
2	Disagree	1.87 – 2.71	Low
3	Somewhat Disagree	2.72 – 3.57	Slightly Low
4	Neutral	3.58 – 4.43	Moderate
5	Somewhat Agree	4.44 – 5.29	Slightly High
6	Agree	5.3 – 6.14	High
7	Strongly Agree	6.15 – 7.0	Very High

Table 2. The relative weight was determined through a systematic approach. First, the range between the highest and lowest values was calculated (7 - 1 = 6). Next, the range was divided by the total number of categories (6 ÷ 7 = 0.86). Finally, each category was adjusted by adding 1 to incorporate the calculated interval, ensuring accurate weighting across the dataset.

4. Results

4.1. Demographic Characteristics of the Study Sample

Table 3. Descriptive Analysis of Demographic Variables

Variable	***Category***	***N = 266***	***%***
Gender	Male	180	67.7%
	Female	86	32.3%
Age	< 30 years	48	18%
	31–40 years	126	47.4%
	41–50 years	68	25.6%
	>50 years	24	9%
Educational qualifications	< Bachelor's	19	7.2%
	Bachelor's	201	75.5%
	> Bachelor's	46	17.3%
Years of Service	1–5	42	15.8%
	6–10	50	18.8%
	11–15	76	28.6%
	16–20	47	17.7%
	> 20	51	19.2%

Table 3. illustrates the demographic characteristics of the sample drawn from Yemeni insurance companies. The data reveal a sector that is predominantly male, with comparatively limited female participation. In terms of age distribution, the most represented cohort falls within the 31–40 year range, suggesting that firms rely primarily on personnel in their stage of professional maturity. Regarding educational attainment, bachelor's degree holders constitute the largest proportion, reflecting a fundamental reliance on university-level education, while postgraduate qualifications remain less prevalent. As for years of service, the distribution appears relatively balanced, with a notable concentration of employees possessing medium-level experience (11–15 years), alongside a considerable share of long-tenured professionals.

4.2. Measurement Model Evaluation

To evaluate the measurement model of the study and verify the validity and reliability of the instruments used, the researchers relied on Confirmatory Factor Analysis (CFA) to ensure the accuracy and trustworthiness of the results. Convergent validity was assessed through the outer loadings, retaining indicators with values ≥ 0.70. In addition, convergent validity was examined using the Average Variance Extracted (AVE), which is considered acceptable when AVE ≥ 0.50. Internal consistency was evaluated using Cronbach's Alpha (α) and Composite Reliability (CR), with values ≥ 0.70 regarded as acceptable, Additionally, discriminant validity was examined using the (HTMT). Discriminant validity was considered established when HTMT values were ≤0.90, in accordance with the recommendations of Hair et al. (2025); Hair et al. (2022). The results were as follows:

4.2..1. Institutional Excellence (IE)

Table 7. measurement model assessment (IE)

Dimension	*Outer loading*	*Cronbach alpha*	*CR*	*AVE*
LE	0.916-0.943	0.960	0.960	0.862
HE	0.921-0.953	0.965	0.966	0.877
SE	0.856-0.941	0.947	0.948	0.827

***Note**: LE= Leadership Excellence; HE= Human Excellence; SE= service excellence*

Table 7. presents the measurement model assessment for the Institutional Excellence dimensions (LE, HE, and SE). High outer loadings (0.856–0.953) and AVE values (0.827–0.877) confirm strong convergent validity, exceeding the 0.5 threshold. Furthermore, Cronbach's alpha (0.947–0.965) and Composite Reliability (CR) values (0.948–0.966) well surpass the 0.7 criterion, demonstrating excellent internal consistency. These results confirm that the model possesses high reliability and validity, ensuring the accuracy of the dimensions for subsequent analyses.

4.2..2. Strategic Leadership (SL)

Table 8. measurement model assessment (SL)

Dimension	*Outer loading*	*Cronbach alpha*	*CR*	*AVE*
SDD	0.817-0.932	0.950	0.950	0.801
CCE	0.779- 0.906	0.917	0.923	0.753
HCD	0.904-0.924	0.950	0.951	0.834
EOC	0.841-0. 913	0.927	0.927	0.774
EEP	0. 833-0. 886	0.917	0.917	0.750
BOC	0.858-0.900	0.922	0.923	0.763

Note : SDD = strategic direction determine; CCE = core competencies exploiting; HCD = human capital development; EOC= effective organizational culture; EEP= Ensuring ethical practices; BOC= Balanced organizational control

Table 8. summarizes the measurement model assessment for the six Strategic Leadership dimensions. Outer loadings (0.779–0.932) and AVE values (0.750–0.834) confirm robust convergent validity, significantly exceeding standard thresholds. Additionally, Cronbach's alpha (0.917–0.950) and Composite Reliability (CR) values (0.917–0.951) well surpass the 0.70 criterion, demonstrating high internal consistency. These results

validate the model’s reliability and accuracy, confirming the dimensions' readiness for subsequent structural analysis.

4.2..3. Knowledge Management (KM)

Table 9. measurement model assessment(KM)

Dimension	*Outer loading*	*Cronbach alpha*	*CR*	*AVE*
KG	0.907-0.949	0.957	0.958	0.853
KST	0.891-0.932	0.954	0.955	0.844
KSH	0.873-0.936	0.945	0.947	0.821
KAP	0.846-0.937	0.949	0.951	0.831

Note: *KG=* knowledge *generation; KST=knowledge storage ; KSH= Knowledge sharing; KAP= knowledge application*

Table 9. details the measurement model assessment for the four Knowledge Management dimensions. Strong outer loadings (0.846–0.949) and AVE values (0.821–0.853) confirm excellent convergent validity. Furthermore, Cronbach’s alpha (0.945–0.957) and Composite Reliability (CR) values (0.947–0.958) significantly exceed the 0.7 threshold, demonstrating high internal consistency. These results validate the model's reliability and confirm that the dimensions are accurately measured and suitable for further statistical analysis.

4.2..4. Discriminant validity using HTMT

Table 10. HTMT findings

	LE	*HE*	*SE*	*SDD*	*CCE*	*HCD*	*EOC*	*EEP*	*BOC*	*KG*	*KS*	*KSH*	*KAP*
LE													
HE	0.738												
SE	0.807	0.874											
SDD	0.783	0.599	0.689										
CCE	0.762	0.779	0.782	0.708									
HCD	0.775	0.861	0.866	0.746	0.863								
EOC	0.845	0.789	0.851	0.860	0.833	0.895							
EEP	0.825	0.774	0.846	0.813	0.806	0.875	0.899						
BOC	0.853	0.806	0.845	0.768	0.807	0.846	0.874	0.896					

KG	0.727	0.883	0.877	0.597	0.786	0.857	0.807	0.815	0.870				
KS	0.746	0.615	0.773	0.762	0.654	0.706	0.790	0.781	0.767	0.693			
KSH	0.816	0.865	0.887	0.698	0.778	0.868	0.859	0.846	0.865	0.862	0.746		
KAP	0.867	0.784	0.841	0.783	0.754	0.823	0.891	0.848	0.864	0.794	0.796	0.900	

Table 10. presents the HTMT findings for assessing discriminant validity. The results show that correlations between all latent variables including Institutional Excellence, Strategic Leadership, and Knowledge Management dimensions—are generally below the 0.90 threshold. While some values (e.g., EOC and EEP at 0.899) indicate strong conceptual alignment, they remain within acceptable limits. These findings confirm that the constructs are sufficiently distinct, thereby establishing adequate discriminant validity for the measurement model.

4.2..5. HOC measurement model assessment

Table 11. Formative HOC model assessment

HOCs	***LOCs***	***Outer loading***	***Outer weights***
SL	SDD	0.790	-0.011
	CCE	0.847	0.067
	HCD	0.934	0.302
	EOC	0.931	0.239
	EEP	0.910	0.111
	BOC	0.937	0.370
KM	KG	0.898	0.283
	KSH	0.941	0.288
	KST	0.854	0.247
	KAP	0.933	0.283
IE	HE	0.921	0.356
	LE	0.897	0.356
	SE	0.945	0.373

Table 11. presents the assessment of the Higher-Order Construct (HOC) model. High outer loadings (0.790–0.945) confirm strong associations between lower-order constructs (LOCs) and their respective HOCs (SL, KM, IE). The results show varying formative contributions; for Strategic Leadership (SL), dimensions like BOC (0.370) and HCD (0.302) are the primary contributors, while SDD showed a minimal weight. Conversely, Knowledge Management (KM) and Institutional Excellence (IE) exhibit

well-balanced contributions across their dimensions, with weights ranging from 0.247 to 0.288 for KM and 0.356 to 0.373 for IE. These findings validate the formative HOC model and highlight the relative importance of specific sub-dimensions.

4.3. Structural Model Assessment

The structural model in (PLS-SEM) is a fundamental component, as it evaluates the relationships between latent variables and observed indicators, verifies theoretical assumptions, and uncovers indirect effects using quality criteria and model fit indices (Wang et al., 2024). Common evaluation measures include the coefficient of determination (R^2), the cross-validated redundancy measure (Q^2), along with the statistical significance and relevance of path coefficients (Hair et al., 2023), which help determine the strength and validity of relationships among latent constructs. Additionally, researchers can utilize bootstrapping results and model fit indices to gain a comprehensive understanding of the model's performance.

4.3..1. Coefficient of determination R^2, Effect size F^2, and predicative Relevance Q^2

Table 12. structural model assessment

Variable	R^2	F^2	Q^2
MV: KM	0.859	0.344	0.700
DV: IE	0.881		0.739
IV: SL		0.205	

Note: MV = Moderator Variable, DV = Dependent Variable, IV = Independent Variable

Table 12. presents the structural model assessment results. The model demonstrates high explanatory power, with R^2 values of 0.859 for Knowledge Management (KM) and 0.881 for Institutional Excellence (IE). Furthermore, the high Q^2 values (0.700 and 0.739 respectively) confirm strong predictive relevance. Strategic Leadership (SL) exhibits an effect size (F^2) of 0.205, while KM shows a more substantial impact with an F^2 of 0.344. Overall, these findings validate the model's robust explanatory and predictive capabilities within the study's context.

4.3..2. Hypotheses testing

Table 13. bootstrapping (hypotheses testing)

Effect	***hypothesis***	***Path***	***Relationship***	***B***	***SD***	***T***	***P values***
Direct	H_1	a	SL-->KM	0.927	0.010	93.478	0.000
	H_2	b	KM-->IE	0.539	0.079	6.801	0.000
	H_3	c	SL-->IE	0.916	0.011	85.585	0.000
Indirect	H_4	a*b	SL-->KM-->IE	0.500	0.074	6.765	0.000

Note: ***SL= strategic leadership, KM= Knowledge management, IE= Institutional Excellence***

Table 13. details the bootstrapping results for hypotheses testing. All proposed paths are statistically significant at $p < 0.001$, providing strong support for the study's hypotheses. Strategic Leadership (SL) exerts a substantial direct effect on both Institutional Excellence (IE) ($\beta = 0.916$, T = 85.585) and Knowledge Management (KM) ($\beta = 0.927$, T = 93.478). Additionally, KM significantly impacts IE ($\beta = 0.539$, T = 6.801). The analysis also confirms that Knowledge Management partially mediates the relationship between SL and IE ($\beta = 0.500$, T = 6.765). These findings underscore the pivotal role of leadership in driving excellence through both direct action and strategic knowledge integration.

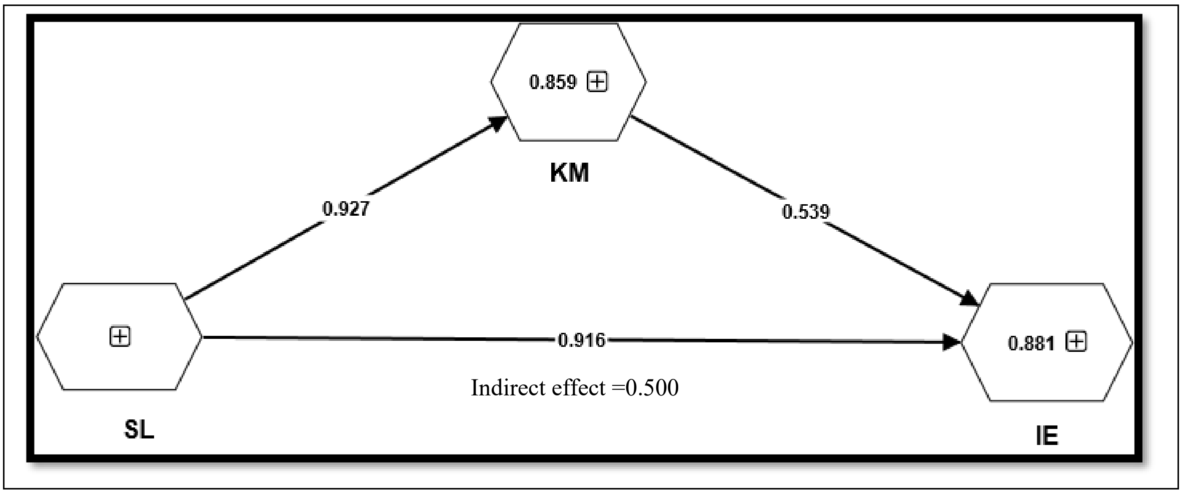

Figure 2. statistical model

The figure 2. shows that Strategic Leadership (SL) has a strong direct effect on Institutional Excellence (IE) (0.916) and also significantly influences Knowledge Management (KM) (0.927). In turn, Knowledge Management contributes to Institutional Excellence (0.539). The R^2 values indicate that the model explains 85.9% of the variance in Knowledge Management and 88.1% in Institutional Excellence, highlighting the strength of the model.

5. Discussion

The results further revealed a strong and positive direct effect of strategic leadership on knowledge management and institutional excellence. These findings are consistent with the studies of Youssouf and Kassim (2025), Al-Maydama & Al-Qutaybi (2024), Awad et al. (2024), Al-Zahrani & Shuaibi (2023), AlMughiri & Dehliz (2023), which demonstrated a positive impact of strategic leadership on institutional excellence. They also align with the studies of Al-Maqrami (2020), Sana

(2020), and Ferede et al. (2024), which reported a positive effect of strategic leadership on knowledge management.

The findings also showed a strong and positive direct effect of knowledge management on institutional excellence, consistent with the studies of Al-Swaitti & Awda (2024), Sadaoui & Dahmani (2023), and Khayrah & Abdel-Qader (2021), all of which confirmed the positive impact of knowledge management on institutional excellence.

This study underscores the mediating role of knowledge management in strengthening the relationship between strategic leadership and organizational excellence in insurance companies. It uncovers hidden connections that enhance organizational performance, aligning with prior research such as Ferede et al (2024) who confirmed a partial mediating role of knowledge management between strategic leadership and change management, and Anggraeni et al. (2023), who found that strategic leadership positively influences competitive advantage when intellectual capital serves as a mediator. Likewise, Al-Maqrami (2020) demonstrated a partial mediating role of knowledge management in intellectual capital development, while Al-Thaqafi (2020) highlighted its significant role between transformational leadership and managerial empowerment. Collectively, these findings affirm that knowledge management constitutes a crucial link that amplifies the impact of strategic leadership on various organizational variables.

6. Recommendations

Based on the findings, this study recommends prioritizing strategic leadership and knowledge management practices within organizations, aligning them with global best practices and modern integrated strategies. It emphasizes increasing investment in these domains to bolster institutional excellence and developing diverse training programs to continuously upgrade the skills and capabilities of human capital. Furthermore, employees should be encouraged to launch initiatives, generate creative ideas, and participate in decision-making processes, supported by periodic performance evaluations. Companies should also focus on service quality, regularly measuring customer satisfaction and continuously enhancing services to meet evolving customer needs.

7. Suggestions for Future Research

While the study provides valuable insights, it is not without limitations. First, the geographical focus may limit the generalizability of the findings beyond this specific region. Second, the emphasis on the private sector invites future research to explore the applicability and cross-sectoral validity of these results within public sector organizations.

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