




# “Achieving competitive advantage through spiritual capital, innovation work behavior, and organizational learning”

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# ACHIEVING COMPETITIVE ADVANTAGE THROUGH SPIRITUAL CAPITAL, INNOVATION WORK BEHAVIOR, AND ORGANIZATIONAL LEARNING

## Abstract

Spiritual capital is one of the essential intellectual capital that drives individuals and organizations to run the business following the law and standards. As a result, organizations can gain trust and integrity by following the rules and affecting their competitive advantages. This study analyzes competitive advantage based on spiritual capital, innovative work behavior, and organizational learning, which are reflected in two dimensions: exploratory and exploitative learning. The research population was 53 businesspersons of handicraft industries in the Malang City of Indonesia selected by saturated sampling techniques. A research instrument collected data in a structured questionnaire distributed to business people; the data were analyzed with SmartPLS 3.0. The results are interesting because they showed that spiritual capital did not significantly affect competitive advantage, both directly with a coefficient of 0.090 and as a mediator with a coefficient of 0.030 for innovative work behavior on competitive advantages. Other results of this study concluded that innovative work behavior was affected significantly by exploratory learning with a coefficient of 0.412 and exploitative learning with a coefficient of 0.139. Indirectly, exploratory and exploitative learning have a significant impact on spiritual capital with a coefficient of 0.139 for exploratory learning and 0.112 for exploitative learning. Spiritual capital was affected significantly by innovative work behavior with a coefficient of 0.331, and innovative work behavior affected competitive advantages with a coefficient of 0.371.

## Keywords

resource, standard, handicraft, Malang, spiritual capital, intellectual capital, innovation, learning

## JEL Classification

D22, L20, M14, O34

## INTRODUCTION

The company needs competitive advantages (CA) to survive in the business. In an era of industry 4.0, competition is very tight, and companies need to find an efficient and practical approach to improve their competitive advantage. Internal resources are crucial factors of competitive advantage, and physical and intangible assets. One intangible asset is knowledge in the form of intellectual capital. The result of previous studies on competitive advantage showed that key determinant for small and medium enterprises (SMEs) to acquire competitive advantage is their ability to develop unique products and their flexibility to adopt new technologies (William & Hare, 2012). Another determinant to affect competitive advantage is intellectual capital (IC). The experts mentioned three dimensions of intellectual capital: structural capital, human capital, and relational capital (Pulic, 2008). Gillet (2002) introduced a new dimension of intellectual capital, named spiritual capital (SC), which, according to Ismail (2005), is tacit knowledge, faith, and emotions embedded in an individual's mind and heart of an organization's intellectual capital. Individuals and organi-

zations need to ensure business operations are run by law and standards, financial regulation, and other aspects that ultimately will improve company performance (Abdullah & Sofian, 2012). This intellectual capital also can trigger the creation of competitive advantage (Aas & Pedersen, 2011; Ismail, 2005). As a result, they created value to develop and survive (Manes Rossi et al., 2016) and create a competitive advantage (Liu, 2017). This study was intended to follow up on Liu (2017) to use the intellectual capital dimension as a mediation for the relationship between innovative work behavior (IWB) and competitive advantage. However, this paper focused on spiritual capital (SC), which has not been widely studied as one of the intellectual capital dimensions.

One determinant of intellectual capital is innovative work behavior (Liu, 2017). Innovative work behavior is a form of innovation at the individual level (Waenink, 2012). Innovation will not appear when employees do not have innovative work behavior. Therefore, innovation is vital as one fundamental concept in industry 4.0. Innovation is driven by seeing connections, finding opportunities, and taking advantage of them (Bessant & Tidd, 2013).

Employees' innovative work behavior depends on organizational learning (OL) to increase the ability to develop new knowledge and encourage employee innovation behavior. In addition, rapid environmental changes make learning orientation affect the industrial environment and a critical factor in creating organizational CAs (Liu, 2017).

Employees' innovative work behavior in a learning orientation perspective will facilitate the company to get more economic benefits from its competitors (Scott & Bruce, 1994), developing ideas into tangible works. However, implementing these ideas did not arise naturally from employees but needs to be encouraged in the internal and external environment to trigger the change and continuously update existing knowledge to develop new ideas to meet customer satisfaction needs. Therefore, the importance of OL consists of two dimensions to affect innovative work behavior: exploratory learning and exploitative learning (Liu, 2017). Through these two dimensions, the specific learning mechanism provides continuous improvements from developing the company's core competencies (Gupta & Polonsky, 2014) to facilitate the ability to create, improve, and modify the innovative work behavior (Fraj et al., 2015).

The research problem is whether spiritual capital, organization learning, and innovative work behavior have a significant impact on competitive advantages. In addition, it is also substance to study the mediating impact of spiritual capital on innovative work behavior and competitive advantages.

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## 1. LITERATURE REVIEW

Competitive advantages are vital factors for the future of the company. They need to ensure a better position than their competitors in many factors, including product and services, technology, resources, market, and network. Udriyah et al. (2019) found that innovation can improve competitive advantages. Saadatyar et al. (2020) confirmed that spirituality improves competitive advantages because spirituality increases organization commitment, which is essential for competitive advantages. Mathew et al. (2018) affirmed that spirituality increases job satisfaction and, in the end, improves the competitive advantages. Rajapathirana and Hui (2018) concluded that innovation is a key

to winning the future of business competition. Liu (2017) also provided empirical evidence that competitive advantage can be created through organizational learning, innovative work behavior, and intellectual capital. Theoretically, many studies conclude that the intellectual capital of human, structural, and relational capital were essential to create knowledge and innovation (Edvinsson et al., 2004). OL and SC are two drivers of competitive advantage (Aas & Pedersen, 2011).

Stewart (2002) stated that intellectual capital is the third 'big idea' in the last two decades of management theory besides total quality management and reengineering. Thus, companies with better intellectual capital management have a better

competitive advantage (Wiig, 1997). Intellectual capital is an essential factor in creating knowledge and innovation (Edvinsson et al., 2004). It facilitates companies to seize opportunities and fundamental attributes to create value and make the company survive (Manes Rossi et al., 2016). Referring to Ismail (2005), spiritual capital as part of intellectual capital is significant for individuals and organizations to influence and ensure business operations run according to law and standards, fair in terms of finance, and others that ultimately will improve company performance (Abdullah & Sofian, 2012).

Spiritual capital is one of the dimensions of intellectual capital. Ismail (2005) stated that discussion on intellectual capital based on Islamic religious beliefs produces the concept of spiritual capital complements that it consists of structural capital, human capital, and relational capital. This relational capital was called social capital (Liu, 2017). Furthermore, Malloch (2010) said that spiritual capital as a dimension of intellectual capital has the same impact as another dimension of intellectual capital on business. The point is that a renewal of spiritual capital in a company is faith-guided achieved. Intellectual capital is unique in certain companies and cannot be compared to other companies.

Several studies have shown that intellectual capital affects competitive advantage for businesses and encourages innovation (Edvinsson et al., 2004; Kong, 2010; Lindgren et al., 2009). This study used the same concept of spiritual capital as human capital proposed by Liu (2017) to explain its effect on creating competitive advantage affected by human capital. Alnachef et al. (2017) showed that human capital, structural capital, and relational capital have a significant influence, and only spiritual capital has no effect on competitive advantage.

Innovation is the basis for a competitive company. Every organization wants to achieve success and survival. An essential element to support this goal is to increase innovative work behavior. Behavioral innovative work is individual activities required to develop innovation (Janssen, 2000) that will improve competitive advantage. Previous studies found that innovation was an essential factor to help organizations have a sustainable

competitive advantage over competitors and also a significant contributor to the long-term survival of a company (Janssen, 2000; Karchegani et al., 2013) and indirectly through the human capital (Liu, 2017). Marshall and Parra (2019) stated that competition could encourage each individual in a company to be innovated, either directly or through spiritual capital as one dimension of intellectual capital. Based on the above description, the effect of innovative work behavior on competitive advantages can be concluded.

Human is the most crucial factor in innovative behavior, and they also can make this innovation spread in the whole company or only stay at the individual level. Liu (2017) stated that innovative work behavior affects intellectual capital. Spiritual capital was the fourth dimension of intellectual capital (Gillet, 2002; Ismail, 2005). Sundbo et al. (2007) stated that innovative work behavior would increase the company's ability to produce efficiently. Therefore, it was possible with the same effect on spiritual capital as a dimension of IC. According to Liu (2017), innovative work behavior affects dimensions of intellectual capital. This concept was used in this study to examine the fourth dimension of intellectual capital, namely spiritual capital. Therefore, this innovative work behavior also affects spiritual capital. Innovative work behavior becomes a form of innovation at the individual level (Waenink, 2012) and one of the fundamental concepts in innovation, especially related to technology. Therefore, developing innovative work behavior will ultimately lead to spiritual capital creation. Based on the above, innovative work behavior effect on spiritual capital can be concluded.

Spiritual capital can create innovative behavior effect on the entire company. Spiritual capital is the same dimension as HC, so there is a possibility that spiritual capital mediates the effect between innovative work behavior and competitive advantage. This research novelty compared to previous studies, especially the study from Liu (2017), was to find a new phenomenon of SC dimension that mediated innovative work behavior on competitive advantages. In this study, SC uses the Islamic Religion principle as most religions in Malang City. Basic principles of values are unity, vicegerent, and justice. Based on the above description,

innovative work behavior has an effect on competitive advantages through spiritual capital.

Organizational learning has a crucial role for an organization that wants high competitive advantages. Peris-Ortiz et al. (2018), in their study about innovation, found that effective organizational learning needs a clear innovation procedure. Organizational learning affected innovative work behavior (Škerlavaj et al., 2010; Schunk, 2012; Nugroho & Ranihusna, 2020) to reveal a transition from environmental effects to human factors such as exploration for learning. In contrast, Park et al. (2014) found that a learning organization does not directly influence innovative work behavior but indirectly influences work engagement.

Learning theory has been explored in many studies. Various insight findings of learning theory, such as a new insight (Argyris & Schon, 1977), a new structure (Chandler, 1962), and a combination of new insight and structure (Namada, 2018). Development of knowledge associated with the effectiveness of previous and future actions (Fiol & Lyles, 1985), mental models of organization members (Starbucks & Whalen, 2008) that affect employee motivation to engage in workplace learning (Bryson et al., 2006) or a search and modification of knowledge, skills, strategies, beliefs, attitudes, and behavior (Schunk, 2012), especially from cognitive constructions dimension. Innovative work behavior will not occur by itself but will be affected by organizational learning, both exploratory and exploitation learning.

This study focused on two organizational learning dimensions, namely exploratory and exploitative learning. These two dimensions can prove that the development of insight knowledge was a change process to increase the ability of organizations to acquire and develop new knowledge. The concepts of explorative and exploitative learning were widely used to differentiate learning orientation and innovative organization behavior (March, 1991). Tummors (2016) examined the learning opportunities to predict IWB through job involvement and psychological capital based on the job demands-resources (JD-R) model. Liu (2017) researched ways to create competitive advantage through the perspective of organizational learning, in-

novation behavior, and intellectual capital. The results showed that companies with exploratory and exploitation learning could seize opportunities and competitive advantages through increasing innovative work behavior and human capital. This indicates that exploratory and exploitation learning will raise spiritual capital through innovative work behavior.

## 2. AIMS AND HYPOTHESES

This study aims to explore the impact of spiritual capital, innovative work behavior, and organizational learning on competitive advantages; therefore, the following hypotheses are proposed:

*H1.a: Exploratory learning has a significant effect on innovative work behavior.*

*H1.b: Exploitative learning has a significant effect on innovative work behavior.*

*H2.a: Exploratory learning has a significant effect on spiritual capital through innovative work behavior.*

*H2.b: Exploitative learning has a significant effect on spiritual capital through innovative work behavior.*

*H3: Innovative work behavior has a significant effect on spiritual capital.*

*H4: Spiritual capital has a significant impact on competitive advantage.*

*H5.a: Innovative work behavior has a significant effect on competitive advantage.*

*H5.b: Innovative work behavior has a significant effect on competitive advantage through spiritual capital.*

## 3. METHODS

This study is explanatory. Data were collected from 53 business persons of handicraft industries in the Malang City using a questionnaire with saturated sampling and analyzed using Smart PLS 3.0.

The questionnaire format was structured and contained close-ended questions. A five-point Likert scale measured the data, starting from 1 = completely disagree until 5 = completely agree. Data are analyzed with descriptive and inferential statistics. Data are tested for validity and reliability in outer model testing and the goodness of fit and path coefficient for hypotheses testing in the inner model. The measurements of variables are described as follows:

1. **Competitive Advantage (Y).** It is the position of a company in dominating the competition to produce products based on resources that are valuable, rare, inimitability, and organizational. Indicators to measure competitive advantage refer to Kuncoro and Suriani (2018) and Barney (1991). 13 items consist of four items for valuable resources, 1 item – for rare, two items – for inimitability, and six – for organizational.
2. **Spiritual Capital (Z1).** It is a capital to make humanity sustainable to nurture and sustain the human spirit (Zohar & Marshall, 2004). Spiritual capital was measured by 14 indicators from Gillet (2002), consisting of 5 items for emotional energy, seven items for heart power, and two items for power.
3. **Innovative Work Behavior (Z2).** It is an individual work behavior to explore opportunities with new ideas, processes, methods, or products to assure a company can survive against competitors and win the competition. Measurement of innovative work behavior refers to Jong and Den Hartog (2010) and Tummers (2016), such as two items for opportunity exploration, three items for idea generation, two items for championing, and three items for application. The statement items of this study refer to Jong and Den Hartog (2010) as many as ten items.
4. **Organizational Learning.** It uses exploratory learning (X1) and exploitative learning (X2) dimensions from Fraj et al. (2015). Exploratory Learning (X1) refers to a company's efforts to acquire new technology and capabilities, learn the ability to develop services and products, and acquire new managerial and organiza-

tional skills. Exploitative Learning (X2) refers to efforts to consolidate current knowledge with existing capabilities, improve knowledge and ability to do innovation activities efficiently, and build capabilities in finding solutions to consumers' problems. Indicators refer to Liu (2017), with eight items for exploratory and four items for exploitative learning.

## 4. RESULTS

### 4.1. Respondent characteristics

The respondent characteristics were described based on gender, age, and education level. Most of the respondents were men (52.8%), the age was above 30 years old (56.6%), and they had higher education (56.6%). In addition, most of the companies were above five years old (52.8%), and the most extensive business was handicraft (26.4%). This indicated that the handicraft business in Malang City had been developed for a long time.

**Table 1.** Respondent characteristics

Item	Number of responses
<b>Gender</b>	
Male	28
Female	25
Total	53
<b>Age</b>	
≤ 20 year	4
≥ 20 – 25 years	8
≥ 25 – 30 years	11
> 30 year	30
Total	53
<b>Education</b>	
Higher education	30
Senior high school	19
Junior high school	4
Total	53
<b>Company Age</b>	
1 – 3 years	14
> 3 – 5 years	11
> 5 years	28
Total	53
<b>Type of Business</b>	
Accessories	12
Batik	7
Handicraft	14
Confection	13
Footwear	7
Total	53

## 4.2. The outer model

The outer model was tested using confirmatory factor analysis. The results include convergent validity, discriminant validity, and construct reliability. The convergent validity test for each variable was determined by outer loading. Item was valid if the value  $> 0.7$  (Hair et al., 2010). However, the loading scale of 0.5 to 0.6 was acceptable at the development stage. The convergent validity test for variables X1, X2, Z2, and Z1 with a reflective measurement model shows that the loading factor of each indicator is above 0.500, except for Y.2 indicator with a value below 0.500; it was excluded from the model.

Discriminant validity was tested using the average variance extracted (AVE) value. The indicator was valid if the AVE  $> 0.5$  (Hair et al., 2010). The AVE value showed that all indicators had met the discriminant validity.

Reliability test tested with Cronbach's alpha and composite reliability. The indicator was reliable if the Cronbach's alpha value  $> 0.60$  and the composite reliability value  $> 0.70$  (Hair et al., 2010). The reliability test using the composite reliability and Cronbach's alpha value showed the test result met the criteria of more than 0.60, each indicator of variable has met the construct reliability. The research profile variable was indicated by loading factor and mean. It can show the most important indicators and the actual conditions. The variables of this study are presented in Table 2.

**Table 2.** Research variable profile

Variables	Indicators	Loading Factors	Mean
Exploratory Learning (X1)	X1.1	0.704	4.170
	X1.2	0.790	4.302
	X1.3	0.888	4.264
	X1.4	0.765	4.377
	X1.5	0.844	4.302
	X1.6	0.831	4.189
	X1.7	0.801	4.302
	X1.8	0.812	4.340
Exploitative Learning (X2)	X2.1	0.834	4.396
	X2.2	0.936	4.415
	X2.3	0.891	4.377
	X2.4	0.904	4.340

Variables	Indicators	Loading Factors	Mean
Innovative Work Behavior (Z2)	Z2.1	0.523	4.594
	Z2.2	0.685	4.594
	Z2.3	0.841	4.434
	Z2.4	0.780	4.484
Spiritual Capital (Z1)	Z1.1	0.854	4.348
	Z1.2	0.876	4.402
Competitive Advantage (Y)	Y.1	0.687	3.948
	Y.3	0.749	3.500
	Y.4	0.844	3.702

## 4.3. The inner model

The inner test model used goodness of fit to determine the ability of endogenous variables to explain the diversity of exogenous variables. The goodness of fit in PLS analysis was performed by Q-square predictive relevance (Q2). The determination coefficient for the effect of X1 and X2 on Z2 was 0.479 or 47.9%, while the rest, 52.1%, were explained by other variables that were not included in the model. The determination coefficient for the effect of Z2 on Z1 was 0.114 or 11.4%; the rest 88.6% were explained by other variables not included in the model. The determination coefficient for the effect of Z2 and Z1 on Y was 0.168 or 16.8%; the rest 83.2% were explained by other variables outside the model.

The goodness of fit test for the inner model uses the value of Q2 or predictive-relevance. A value closer to 1 means a better model. The goodness of fit test value was 0.616 or 61.16%; it means that the model was fit. These results also indicate that Y diversity can be explained by the model as a whole by 61.6%, the remaining 38.4% is the contribution of other factors outside this study and error term. Smart PLS 3.0 was used to determine the effect between variables. The results are shown in Figure 1.

Hypotheses testing uses direct and indirect effect values in SmartPLS results as described in Table 3. H1a is accepted; it means explorative learning has a significant effect on innovative working behavior. H1b is accepted; it means exploitative learning has a significant effect on innovative working behavior. H3 is accepted; it means innovative working behavior has a significant effect on spiritual capital. H4 is not accepted; it means spiritual cap-

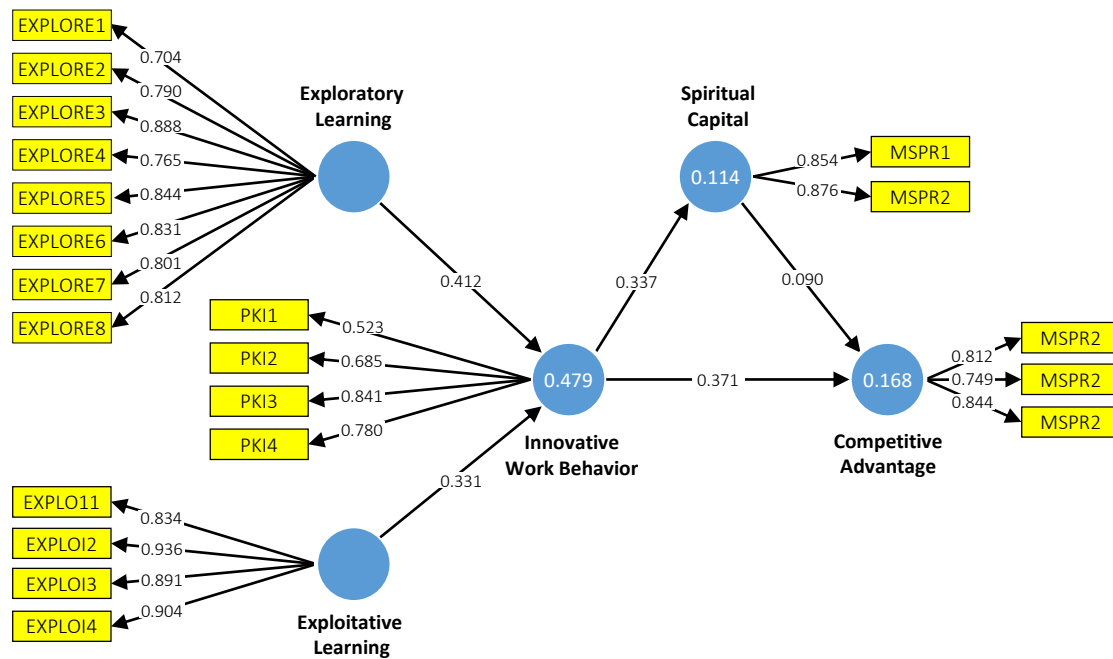


Figure 1. Research model

ital has no significant effect on competitive advantage. H5 is accepted; it means innovative working behavior has a significant effect on competitive advantages.

The mediation testing used steps suggested by Baron and Kenny (1986) that are described as follows. The effect between innovative work behavior (Z2) and competitive advantage (Y) was tested. The direct effect test had a path coefficient of 0.371 and a p-value of 0.000. It means innovative work behavior (Z2) directly affects competitive advantage (Y). The effect test between innovative work behavior (Z2) and competitive advantage (Y) through spiritual capital (Z1) had a path coefficient of 0.030 and a p-value of 0.138. These results showed that innovative work behavior (Z2) did not have an indirect effect on competitive advantage (Y)

through spiritual capital (Z1), so the intervening variable of spiritual capital (Z1) is not a mediation variable.

## 5. DISCUSSION

The results showed that organizational learning dimensions, both exploratory and exploitative learning, had a significant positive effect on innovative work behavior. This result is consistent with Fraj et al. (2015). This indicated that organizational learning allows companies to get experience through knowledge exploration to create new product processes and provide customer value. Organizational learning can respond quickly and in a timely manner to respond to environmental changes. Explorative learning is needed to develop, improve, and modify innovative work behavior to

Table 3. Hypotheses testing

H	Effect	Path Coefficient	t Statistics	P-value	Description
1a	Exploratory Learning → Innovative Work Behavior	0.412	6.328	0.000	Significant
1b	Exploitative Learning → Innovative Work Behavior	0.331	4.744	0.000	Significant
2a	Exploratory Learning → Innovative Work Behavior → Spiritual Capital	0.139	3.842	0.000	Significant
2b	Exploitative Learning → Innovative Work Behavior → Spiritual Capital	0.112	3.392	0.001	Significant
3	Innovative Work Behavior → Spiritual Capital	0.337	5.971	0.000	Significant
4	Spiritual Capital → Competitive Advantage	0.090	1.554	0.120	Insignificant
5a	Innovative Work Behavior → Competitive Advantage	0.371	10.094	0.000	Significant
5b	Innovative Work Behavior → Spiritual Capital → Competitive Advantage	0.030	1.485	0.138	Insignificant



increase competitive advantage (Fraj et al., 2015). It involves organizations in pursuing new knowledge and exploration (Namada, 2018).

These results indicated that exploratory learning is important to get new knowledge, such as adopting the latest technology of production and marketing to reduce the timeline for production. This study result also indicated that exploitative learning drives a company to consolidate current knowledge and existing capabilities, improve knowledge, and has the ability to do efficient innovation at all level of the organization. The company also has less wasted materials, reduces production time, and operates more efficiently (Namada, 2018).

Exploitative learning is obtained by providing various solutions for products such as quality of raw materials, completing product orders, quality of product outputs, and other issues of customer complaints. This makes handicraft entrepreneurs able to continue to improve themselves with all the creative and innovative work behavior to achieve production efficiency.

Exploratory and exploitative learning has a significant positive effect on spiritual capital through innovative work behavior. This study referred to Liu (2017) to use the human capital dimension to represent intellectual capital. Spiritual capital in this study is based on the opinion of Gillet (2002) and Ismail (2005) to describe the novelty of this study and its results. Liu (2017) stated that innovative work behavior mediates the effect of exploratory learning and exploitative learning on spiritual capital.

Innovative work behavior has a significant positive effect on spiritual capital. According to Karchegani et al. (2013), innovation needs to be implemented to strengthen intellectual capital development, particularly spiritual capital, because all stakeholders are more confident and have grown in knowledge. The dimensions of spiritual capital, especially emotional energy and heart strength, were truly created when all stakeholders had positive work innovation behavior. Consistent with Jong and Den Hartog (2010), various mechanisms through the social context affect individual creativity, which was characterized by social effect or exchange because social access and information

on innovative work behavior support innovation implementation. Karchegani et al. (2013) said that innovation creates not only a competitive advantage but also a collaborative advantage that results from exploitation learning. Innovation has been recognized as an essential driver of economic growth and drives organizations to offer better products and quality, also increasing the company's spiritual capital. However, the results of this study conclude that spiritual capital has no significant effect on competitive advantages. Although Palmer and Wong (2013) stated that spiritual capital could increase, inspire and attract individuals to be more motivated, this is not the case for handicrafts in Malang City. This possibility was caused because spiritual capital is only adopted at the individual level and not the company. An individual has many good positive values, such as the presence of emotional energy, enthusiasm, pleasure, selflessness in producing good and productive performance, and confidence that they can develop a business. All of the spiritual capital adopted in individuals and having a determination in developing a business has become an integral and inherent part of individuals throughout the company. Thus, the company automatically has unique resources through spiritual capital at the person or individual level only and is not significant yet at the company level. This study's results were consistent with Guest (2007) and Hodge (2000), who concluded that the spiritual aspect is individual capital that makes a company unique but needs to be involved at the company level; therefore, it will become a competitive advantage. A company's competitive advantage can also be created from the company's innovative work behavior in developing innovation (Janssen, 2000) and individual innovation level (Waenink, 2012).

Innovative work behavior has a significant effect on competitive advantage. These results are consistent with Indrawati (2019), Liu (2017), Aziz and Samad (2016), Kuncoro and Suriani (2018), Schreiber et al. (2016), Borseková et al. (2017), Najib et al. (2014), and Serna et al. (2016). Thus, innovative work behavior has a significant effect on competitive advantage. Furthermore, the positive path coefficient indicates that human resources with high innovative work behavior will increase competitive advantage.

Finally, although innovative work behavior directly affects competitive advantage, it has no significant effect on competitive advantage through spiritual capital. This shows that the company's competitive advantage was built on a foundation of innovation in addition to efficiency, quality, and customer responsiveness. Therefore, companies should not only consider internal resources to create competitive advantage, as stated by Knott (2009), companies must take into account the dynamics of external conditions.

This study's results were inconsistent with Palmer and Wong (2013) and Malloch (2010), who stated that spiritual capital occurs in individuals who open their hearts. In other words, the essence of piety provides a unique form of

practical knowledge and should be affected not only by the individual itself but also by the whole company. It will be interesting to analyze how the individual spiritual capital can be spread to practical business knowledge for competitive advantages. Spiritual capital could not mediate the effect of innovative work behavior and competitive advantage. This hypothesis was not proved because the company only emphasizes innovative work behavior to create or develop a competitive advantage. Consistent with Namada (2018), innovative work behavior can increase reliability and allows companies to develop business models, new products, and superior services. This facilitate company to achieve a competitive advantage without having to go through spiritual capital.

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## CONCLUSION

This study found that innovative work behavior and organizational learning have an effect on competitive advantages. However, it failed to prove that spiritual capital can create competitive advantage, both directly and as a mediation variable. This may occur because spiritual capital is inherent in the daily activities of individuals, so it automatically becomes the basis for working activities in the company. This unique individual spiritual capital needs to affect the company to become competitive advantage.

This study affirmed the importance of innovative work behavior for competitive advantages. Learning culture, both exploratory and exploitative learning, has a crucial role in developing innovative work behavior. Exploratory and exploitative learning variables also can be proved as a change process to increase the ability of organizations to acquire and develop new knowledge. This study contributes to resource-based theory (RBT) for spiritual capital that has not been widely studied as a dimension of intellectual capital. This study also contributes to developing organizational learning theory about the importance of developing knowledge that drives innovative work behavior for competitive advantage. The study findings have practical implications that companies need to facilitate innovative work behavior to improve their competitive advantages.

This study has limitations. First, it did not examine the direct effect of exploratory learning and exploitative learning on spiritual capital; therefore, future research should examine the direct effect. Secondly, it only examines one dimension of intellectual capital, i.e. spiritual capital, to determine its effect on competitive advantage. Therefore, future research should examine all dimensions of intellectual capital.

## AUTHOR CONTRIBUTIONS

Conceptualization: Nur Khusniyah Indrawati, Sri Muljaningsih.

Data curation: Nur Khusniyah Indrawati, Sri Muljaningsih.

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