

The Influence of Strategic Leadership on Institutional Reputation: A Perspective of Social Exchange Theory in HEIs of Pakistan

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The study is conducted in the light of Social Exchange Theory (SET) that deals with the impact of strategic leadership on reputation of higher education institutions (HEIs). It explores organizational trust as a mediator between leadership practices and institutional reputation along with moderation by perceived organizational support (POS). This is a quantitative and cross sectional study; survey questionnaire was used for data collection from 220 faculty members of public and private sector universities of Pakistan. Structural Equation Modeling (SEM) is used to test the projected associations including mediation and moderation effects. The results demonstrate that institutional reputation and organizational trust are significantly impacted by strategic leadership. The relationship between strategic leadership and institutional reputation is partially mediated by organizational trust. The findings reveal that attaining favorable reputational outcomes at HEIs require upholding trustworthy connections and fostering pleasant institutional climates. The study emphasizes to rejuvenate leadership development program, participative governance and faculty support systems to build trust within the institutions .

Keywords: Strategic leadership, institutional reputation, organizational trust, perceived organizational support, Social Exchange Theory, HEIs.

The context in which higher education institutions (HEIs) are working has become much more dynamic, with the rise of globalization, technological changes and shifted expectations of stakeholders towards heightened competitions around the globe. The traditional roles of university teaching & research are no longer enough to assess the performance of universities. They are now required to show the impact on society, create innovations and guarantee quality assurance, including positive reputation among stakeholders (Matos et al., 2024; UNESCO, 2024). Hence, institutional reputation (IR) has become a strategic asset, affecting the universities' capacity to attract students & faculty, obtain research funding, forge international connections and maintain competitive edge in the global higher educational environment (Plewa et al., 2016; Kaushal et al., 2023).

Institutional reputation (IR) is a product of continued interaction & experience; the cumulative perception of stakeholders' credibility, quality, legitimacy and performance; which has been built over time (Fombrun, 1996). The university's visibility is significantly impacted by a positive reputation, trust of the stakeholders, sustainability and success of the university in the longer-term. The reputability of institutions does attract good faculty, students, external funding and improve their international reputation (Matos et al., 2024). Mostly previous studies have focused on factors like service quality, university as a brand, organizational culture, student's satisfaction and corporate social responsibility in determining institutional reputation (Plewa et al., 2016; Kaushal et al., 2023). Many researchers have delved upon reputational management; however, only few studies have taken up the subject of leadership-related factors, such as strategic leadership (SL); despite the fact that leadership is one of the most influential mechanisms in determining the direction of the organization, the relationship with the stakeholders and the long-term performance of the institutions (Samimi et al., 2022). The gap is more pronounced in higher education, where universities are run by complicated governance arrangements of multiple stakeholders with conflicting and competing interests.

Strategic leadership institutes a relational and strategic capability through which institutional leaders shape organizational bearing while nurturing reciprocal relationships with internal and external stakeholders. It is crucial for organizations in current scenario due to its vision, resource coordination, innovation and ability to respond to uncertainties (Ireland & Hitt, 1999; Samimi et al., 2022). Strategic leaders foresee future challenges, institute long-term objectives and establish organizational conditions that promote adaptation (SN Ch, et al., 2025). Strategic leadership in HEIs is very demanding for academic excellence, knowledge development, collaboration and communication among stakeholders, both inside and outside the institution (Bryman, 2007). The role of strategic leadership has been further accentuated in recent developments of HEC Pakistan by announcing ORIC validation report (HEC ORIC, 2025). Leaders of universities have been forced to use strategic approaches to become resilient and sustainable (Bush, 2020; Soysal et al., 2024) in the face of rapid digital advancement, growing global integration of universities and increasing demands for accountability.

The scarcity of research is evident in developing countries like Pakistan where HEIs face multiple structural and institutional hitches of deprived financial status, research infrastructures, governance, resource limitations and growing expectations of global rivalry (Islam et al., 2024; Gohar et al., 2023). Universities of emerging economies are facing challenges of quality standards, visibility and socio-economic contribution toward the realm. Pakistan is a case in point that demands investigation towards these rising issues.

Despite many initiatives, there are still problems of quality assurance, research productivity, international ranking, governance model and the trust of stakeholders in the universities of Pakistan (Hoodbhoy 2009; Shah et al., 2023). All said challenges highlight the importance of a strategic leadership in building reputation and sustainable development in higher education sector (SNC & SMA Shah, et al. 2025).

Research in leadership of HEIs has been carried out, but it has predominantly focused on leadership styles, organizational performance and institutional outcomes, with comparatively limited attention to how strategic leadership shapes institutional reputation through internal organizational mechanisms. Moreover, the available literature on leadership has focused on transformational, transactional, authentic, ethical and servant leadership styles along with organizational outcomes like innovation, performance, employee commitment, competitive advantage; but the association between strategic leadership & institutional reputation has been studied relatively less (Samimi et al., 2022). The previous studies on reputation in higher education have largely concentrated on stakeholder theory, resource based theory and signaling theory (Plewa et al., 2016; Kaushal et al., 2023). Though there is potential for social exchange theory (SET) to offer important insights into relational and reciprocal impacts between leaders and organizational members on institutional outcomes instead of alternative perspectives. SET by Blau in 1964 narrates that social relationships are regulated by rules of reciprocity, trust and obligations. People respond positively to the positive treatment they receive and return it in-kind, which is a hallmark for the organizations (Cropanzano & Mitchell, 2005).

From the perspective of SET in HEIs, strategic leaders can foster exchange relationships with faculty members and stakeholders by providing support, articulating a compelling vision, promoting participation in decision making and building trust. In response, the stakeholders have increased commitment, cooperation and actions that enhance the image and reputation of the university. Thus, perception of institutional reputation is a result of internal social exchange processes as well as an image constructed by outsiders, through effective strategic leadership. Despite its theoretical context, the use of SET to analyze the relationship between strategic leadership and institutional reputation in higher education sector remains relatively unexplored.

Therefore, this research aims to fill the gaps by exploring the relationship between variables through a social exchange lens in the context of Pakistani HEIs. This study contributes in the existing literature and enhance body of knowledge on strategic leadership (SL) and institutional reputation (IR). Moreover, the study also provides a theoretical contribution through explanatory framework based on the SET between leadership processes and reputation involving organizational actors. Furthermore, the study has specifically focuses on universities of Pakistan to address the contextual limitations of prior research, which has predominantly been conducted within western and developed economies.

Significance of the study

The purpose of the present study is to examine direct and indirect impact of strategic leadership on building an institutional reputation within the Pakistani universities. Although reputation has become a decisive factor in the academic world, especially with the increasing competitiveness among the universities (Kaushal et al., 2023; Matos et al., 2024). This study is based on Social Exchange Theory and extends this theory to the higher education context, describing how the behaviours of a leader can contribute to stakeholder perceptions, trust and commitment (Blau, 1964; Cropanzano & Mitchell, 2005). The study intends to fill the gap in the body of knowledge, where university governance, quality assurance and international university rankings and expectations are being challenged (Shah et al., 2023). Moreover, it provides important lessons to enhance institutional legitimacy and competitive positioning through strategic leadership practices. The role of faculty members as internal stakeholders provides new pathway for understanding, how strategic leadership contributes to reputation-building within universities (Bryman, 2007; Samimi et al., 2022). The findings will assist HEC and University leaders to mature leadership development programs, which are designed to foster sustainable institutional excellence.

Literature Review

Strategic Leadership in Higher Education

Globalization, technological advancement, internationalization and stakeholder expectations have significant impact on higher education sector. All universities are expected to provide high quality teaching, research, build a strong societal engagement and retain good image. These expectations have contributed to the significance of leadership as a factor affecting institutional effectiveness and sustainability (Samimi et al., 2022; Soysal et al., 2024).

Strategic leadership has received more research focus due to its role of offering vision, predicting changes in the environment and linking organizational resources with long-term goals (Ireland & Hitt, 1999). It is more about being flexible, innovative and forward decision making rather than operational level efficiency and short term performance orientation associated with transactional leadership.

Strategic leadership is much more critical in the framework of HEIs, given their shared governance structure, diversity of stakeholders and knowledge intensive environments for achievement of long term objectives (Bryman, 2007). Leaders within the university have the responsibility of building institutional vision, working collaboratively, attaining research excellence and adapting to the environment's uncertainties. SL helps universities to face complex situations and improve institutional legitimacy and competitiveness (Gumus et al., 2018).

The relevance of strategic leadership in case of HEIs in Pakistan is exclusively obvious, as the institutions are facing increasing pressure to enhance the quality of their education, research output and international rankings. Despite major reforms of HEC, Pakistani universities are still plagued by issues of governance, lack of adequate funding, bureaucratic complexities and not being seen worldwide (Shah et al., 2023). Consequently, strategic leadership has become a necessity for strengthening institutional resilience and maintaining competitive advantage in the educational domain.

Institutional Reputation

One of the most important intangible assets of HEIs is their reputation. It is the "snap shot" of stakeholders' perceptions of the quality, credibility and performance of an institution that has evolved over time as a result of continuous interactions and experiences (Fombrun, 1996; SN Ch, et al., 2025). A positive reputation helps a university to attract students & faculty, develop international connections, win over research funding and stay viable in the global higher education paraphernalia (Plewa et al., 2016).

In the past, many factors related to institutional reputation have been identified; including service quality, satisfaction of students, organizational culture, CSR and branding strategies (Kaushal et al., 2023; Matos et al., 2024). Leadership practices does have a significant impact on organizational credibility, trust and legitimacy; as the reputation is a stakeholder's perception and experience.

The concept of institutional reputation is not limited to external rankings, but also includes aspects such as academic excellence, research output, ethical management, relationships with stakeholders and social impact (Matos et al., 2024). Thus, there has been growing interest among researchers and policy makers to understanding and developing a positive institutional reputation within HEIs.

The Social Exchange Theory

Social Exchange Theory (SET) presented by Blau in 1964; one of the important theories that can be used to understand the relational mechanisms that lead to the outcomes of an organization. The theory asserts that the social relations are guided by mutual exchanges of trust, mutual obligations and expectations of future benefits. People respond positively to positive treatment; which creates positive attitudes and behaviours to enhance organizational effectiveness (Cropanzano & Mitchell, 2005).

In organizational research, SET has been extensively used to account for the effectiveness of leadership, employee engagement, job satisfaction and organizational citizenship behaviors (OCB) (Cropanzano et al., 2017). The theory suggests that leaders who exhibit support, fairness, competence and integrity always create high-quality exchange relationships. In response to such exchanges, employees in turn show more trust, commitment and co-operation. Given this, SET can be used as a lens through which to view the process of how strategic leadership fosters reciprocal relationships and trust among members in order to form institutional reputation.

Strategic leadership and organizational trust

Organizational trust (OT) is the willingness to be vulnerable because of positive expectations of the intentions and behaviours of organizational leaders and institutions (Mayer et al., 1995). Trust is essential for an organization's effectiveness because it encourages teamwork, sharing of information and action. It is built in an organization through leadership being competent, transparent, consistent and fair. SL have the ability to explain their vision in a clear way, involve employees in decision making, provide support and improves interpersonal relationship (Samimi et al., 2022). Within the higher education institutions, trust constitutes a fundamental mechanism underpinnings academic excellence and institutional development in the environments where collaboration, collective engagement and collegiality are essential to organizational effectiveness. Leadership practices have a significant effect on organizational trust in the educational settings (Dirks & Ferrin, 2002; Newman et al, 2014). Therefore, hypothesis is proposed as under:

H1: Strategic leadership positively & significantly impacts organizational trust.

Organizational trust and Reputation

The trust among the organizational members is one of the key factors to enhance institutional legitimacy and stakeholders' confidence. Trust allows cooperation and promotes desired behaviors that aid in the functioning of the organization and its reputation (Fulmer & Gelfand, 2012). The attitudes and behaviors of faculty members are significant internal stakeholders in HEIs that shape external views of institutional credibility and quality.

Faculty with high levels of trust within universities mostly exhibit organizational commitment, collaborate activities and represent their universities as ambassadors. Such behaviors help to build stakeholder's trust and strengthen institutional reputation. Conversely, low levels of trust, undermine cooperation, weaken stakeholder's relationships and adversely affect institutional image. Hence, trust represents a critical relational mechanism, through which universities cultivate favourable institutional reputation and therefore, hypothesis is proposed as under :-

H2: Organizational trust significantly and positively affect institutional reputation.

Leadership and Reputation

Leadership has always been viewed as a critical factor in the success of an organization. Strategic leaders drive the organizational culture, foster stakeholder's relationships and give direction to the organization for achievement of long-term goals and objectives (Ireland & Hitt, 1999; Soofi, et al., 2025). Their actions and decisions have a substantial impact on the image of the organizations among internal and external stakeholders.

In HEIs, strategic leaders play a vital role in shaping reputation of institutions through academic excellence, driving innovation and building strong relationships with stakeholders through effective and transparent governance. These activities significantly shape stakeholders' perceptions of quality and credibility of institutions (Plewa et al., 2016). Using the lens of SET, strategic leaders who build positive relationships with organizational associates foster a feeling of reciprocity and commitment and yields constructive organizational outcomes (Cropanzano & Mitchell, 2005). Although, few studies have shown positive correlations among leadership and organizational reputation in business organizations, empirical evidence with regards to higher education context is limited. In this context, strategic leadership assumes a critical role in image building, especially in the era of global competition among universities and guarantee the sustainability of the campus. Based on that, the following hypothesis is postulated:-

H3: Strategic leadership has a positive effect on the institutional reputation.

Organizational Trust (OT) as a Mediator

Trust is a such a valuable social resource that helps to make cooperation, commitment and effective organization to happen. Trust is linked with strategic leaders being competent, upright and caring attitude for the members of the organization. Due to trust, faculty members support & collaborate for institutional goals and activities to build legitimacy & reputation. Therefore, trust is an important process that helps to bridge the gap between leaders & led along with strong positive organizational outcomes (Dirks & Ferrin, 2002; Fulmer & Gelfand, 2012). Organizational trust, institutional credibility and stakeholders' conviction are becoming vital & critical in the context of Pakistani universities. They are expected to play an increasing role in influencing the institutional reputation through strategic leadership. Thus, it is hypothesized that:-

H4: Strategic leadership has an indirect influence on institutional reputation through the mediation of organizational trust.

Perceived Organizational Support (POS)

POS is an employee's perception that organization values their contributions and cares for their well-being (Eisenberger et al., 1986). SET suggests that, employees reciprocate in the same manner as they are dealt. Moreover, supportive organizational environments in HEIs make educators more responsive to leadership initiatives. The positive impact of strategic leadership is expected to be reinforced when POS is high, as greater support fosters trust, cooperation and commitment. However, on the other side low organizational support dampen the impact of leadership practices. Therefore, hypothesis is formulated as under:-

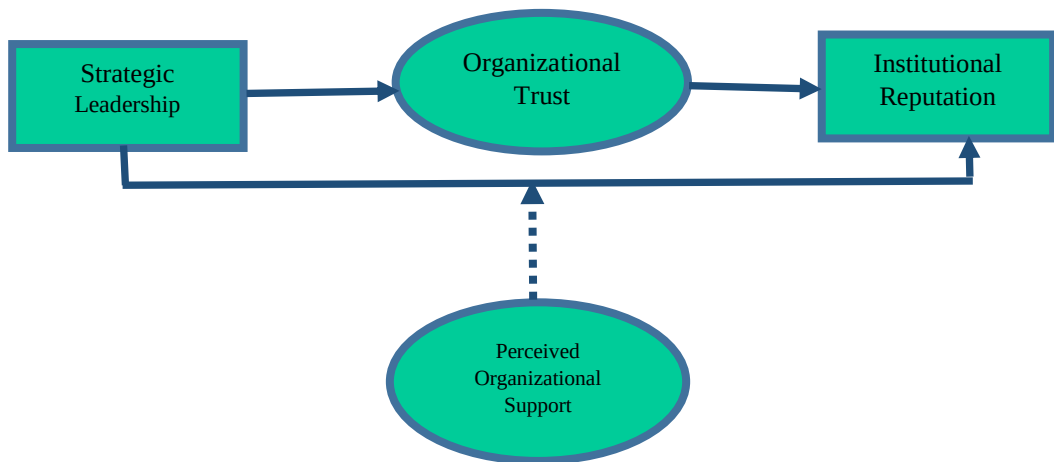
H5: Perceived organizational support positively moderates the relationship between strategic leadership and institutional reputation.

Method

Research Design

The study examined the relationship between strategic leadership and institutional reputation in Pakistani HEIs using a quantitative, cross-sectional research design, with organizational trust as a mediator and perceived organizational support as a moderator. The survey-based method was employed because it enables the analysis of the intricate connections between latent variables (Hair et al., 2022).

Research Model. (Prepared by author)



The target population included faculty of the public and private universities of Pakistan. 220 faculty members were selected through purposive sampling; being critical group of internal stakeholders, directly affected by the leadership practices. Participants were required to meet two criteria; they had to be full-time faculty members and they must have completed at least three year of service in the respective institute. These criteria were set for sufficient understanding of institutional environment and leadership.

After validation of questionnaire by the experts; pilot study was conducted to evaluate reliability of the instrument which involved 30 respondents from universities. The items were slightly modified and improved on the basis of feedback from the participants of the pilot study. The data collection was done electronically using a questionnaire sent via email and google form in the professional academic networks. All respondents were assured of anonymity, confidentiality and participation was voluntary.

The minimum sample size was calculated with the help of G*Power 3.1GUI (Faul et al., 2009). Using a medium effect size ($f^2 = 0.15$), a significance level (alpha) of 0.05, a level of statistical power (beta) of 0.95 along with four predictors. Structural equation modeling (SEM) is a method that requires larger sample sizes in order to get relatively consistent estimates of the parameters. The required sample size was calculated as 198. Hence, data were collected from 220 faculty members to allow exclusion of incomplete and unusable responses. After data screening, only valid and complete responses were retained for final analysis.

Table 1
Demography & Profile of the Respondents

=	Category	Number	Percentage
Type of University	Respondents from Public Universities	129	58.6
	Respondents from Private Universities	91	41.4
Gender	Male	140	63.6
	Female	80	36.4
Age (Years)	20 – 25	4	1.8
	26 – 35	29	13.2
	36 – 45	93	42.3
	46 – 55	63	28.6
	56+ Years	31	14.1
	Teaching Assistant	12	5.5
Designation	Lecturer	47	21.4
	Assistant Professor	51	23.2
	Associate Professor	81	36.8
	Professor	29	13.2
	Graduation	9	4.1
Education	Master's Degree /MPhil/ MS	83	37.7
	PhD / Doctorate	96	43.6
	Post Doc	32	14.5
Service	1 - 5 Years	16	7.27
	6 - 10 Years	43	19.5
	11 - 15 Years	72	32.7
	16 - 20 Years	67	30.5
	20+ Years	22	10.0
	Less than 100000	12	5.5
Monthly Income (Rs)	100000 – 200000	37	16.8
	200000 – 300000	110	50.0
	More than 300000	61	27.7

Data Analysis Procedures

The proposed research model was measured using SEM; to evaluate the relationship between the latent constructs including mediation and moderation analysis (Anderson & Gerbing, 1988). The analysis was conducted in two phases, as suggested by Anderson and Gerbing (1988). The first phase involved confirmatory factor analysis (CFA) for evaluating the measurement model. The second phase includes factor loadings, Cronbach's alpha, composite reliability (CR), average variance extracted (AVE), convergent validity and discriminant validity. Hair in 2022, suggests that factors higher than 0.70 be considered as acceptable, however factors with CR higher than 0.70 and the AVE more than 0.50 were also acceptable for reliability and validity. Multiple goodness of fit indices was used to test model fit which includes; “{Chi-square statistic (χ^2), Comparative Fit Index (CFI), Tucker–Lewis Index (TLI), Normed Fit Index (NFI), Standardized Root Mean Square Residual (SRMR), and Root Mean Square Error of Approximation (RMSEA)}”. Moreover, Hu and Bentler (1999) suggested cutoff scores were used to evaluate the model adequacy.

In the second stage, the structural model was estimated to examine the hypothesized relationships among the variables by using SPSS 27 and AMOS 26. The standardized path coefficients were used to evaluate the direct effects, and bootstrapping procedures (5000 resamples) were used to evaluate the mediating effect of organizational trust. SEM was chosen as the appropriate method because it allows for the estimation of several relationships and offers strong evidence for direct, indirect and moderating associations between constructs (Byrne, 2016).

Measurement Instruments

Strategic leadership was measured by using the questionnaire developed by Samimi et al., (2022), which assesses the leader's strategic vision, organizational flexibility and direction of the organization toward the achievement of strategic goals on a five-point Likert scale.

The Mayer and Davis (1999) scale has been frequently used in organizational behavior & leadership studies and same was adapted to measure organizational trust (OT) in this study. Measures of employees' trust in the integrity, competence and benevolence of organizational leaders. The institutional reputation has been measured based on a scale adapted from Fombrun et al., (2000) & Plewa et al., (2016). The scale reflects faculty members' perceptions about credibility, prestige, quality and overall ranking of university.

The shortened version of the Survey of Perceived Organizational Support developed by Eisenberger et al. (1986) was modified to measure the POS. The same scale has been extensively used in research situations involving organizations and education. The instrument assesses employees' perceptions on the degree of appreciation and concern of the organization's attitudes towards their participation.

Results

Descriptive Statistics

Demographic characteristics of the respondents are summarized using descriptive statistics in frequencies & percentages. Besides, all variables were used to calculate their means, standard deviations, skewness and kurtosis as well as Pearson correlation coefficients. Cronbach's alpha (α) coefficients were calculated to determine the internal consistency of each construct. It will be considered satisfactory & reliable if the value of α is >0.70 as recommended by Hair et al., (2022)

Table 2

Descriptive Stat and Correlation Matrix

Variables	α	M	SD	Skewness	SL	OT	IR	POS
Strategic Leadership (SL)	0.94	47.76	8.76	-0.514	1	0.576	0.495	0.617
Organizational Trust (OT)	0.87	18.98	3.56	-0.674	0.572	1	0.567	0.484
Institutional Reputation (IR)	0.89	20.65	3.18	-0.438	0.489	0.549	1	0.558
Perceived Organizational Support (POS)	0.91	16.78	2.86	-0.762	0.618	0.478	0.548	1

Measurement Model Assessment

The Fornell-Larcker criterion and Heterotrait-Monotrait (HTMT) ratio were used to test the discriminant validity. The constructs were deemed as separate when the square root of AVE is greater than the inter-construct correlation values and the HTMT values are less than the suggested value. Multiple goodness of fit indices was used to evaluate model fitness as suggested by Hu and Bentler (1999); which include “(Chi-square statistic (χ^2), The chi-square/degrees of freedom ratio (χ^2/df), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), Normed Fit Index (NFI), Standardized Root Mean Square Residual (SRMR), RMSEA (Root Mean Square Error of Approximation))”.

Table 3

Goodness of Fit Indices for Model Fitness

Variables	χ^2	χ^2/df	P	GFI	CFI	TLI	NFI	SRMR	RMSEA
Strategic Leadership	128.46	2.15	0.000	0.97	0.99	0.96	0.95	0.052	0.057
Organizational Trust	35.76	2.89	0.000	0.93	0.98	0.95	0.97	0.041	0.069
Institutional Reputation	28.43	2.57	0.000	0.98	0.97	0.96	0.98	0.039	0.063
Perceived Organizational Support	9.92	2.13	0.000	0.96	0.96	0.98	0.94	0.035	0.051

The measurement model is tested for adequacy and structural model is tested to determine the hypothesized relationships between the constructs. Direct, indirect and moderating effects are estimated simultaneously by using the method of SEM.

Hypotheses Testing

Standardized path coefficients and its significance levels were used to test the proposed hypotheses. The results of the regression coefficients and critical ratios derived from AMOS were used to evaluate the direct effects among constructs.

Table 4
Summary of Hypotheses Testing

Hypothesis	Relationship	b Value	p Value	Result
H1	Strategic Leadership ? Organizational Trust	0.531	<0.001	Accepted
H2	Organizational Trust ? Institutional Reputation	0.392	<0.001	Accepted
H3	Strategic Leadership ? Institutional Reputation	0.389	<0.001	Accepted
H4	Strategic Leadership ? Organizational Trust ? Institutional Reputation	0.467	<0.001	Positive and Partially mediated
H5	Moderation effect of Perceived Organizational Support ? Strategic Leadership & Institutional Reputation	0.543	<0.001	Moderation Supported

Mediation Analysis

The bootstrapping procedure with 5,000 resamples were used to test the mediating role of organizational trust between SL & IR. Indirect effects and bias-corrected confidence intervals were estimated; which positively support & partially mediate the relationship of proposed model.

Moderation Analysis

The moderating effect of POS were evaluated between strategic leadership and institutional reputation and results showed amplifying effect of POS on strategic leadership and institutional reputation. Interaction plots were created to depict the nature of moderation and to ease interpreting the results. Common method bias was reduced through the use of procedural remedies such as the random order of questionnaire items, anonymity and confidentiality. Common method variance was assessed using the Harman's single factor test and marker variable technique. The procedure suggested by Armstrong and Overton (1977) were used to determine the non-response bias. Using independent sample t tests, early and late respondents were compared; very little difference between the two groups revealed not availability of non-response bias.

Discussion

Based on Social Exchange Theory (SET), the results offer valuable insights into the effect of leadership practices on faculty perceptions and positive institutional image. The results support to H1, which posits that strategic leadership positively influence organizational trust. The result highlights that effective leadership develop trust among faculty by articulating a clear vision, encouraging participation, showing fairness and integrity. The results are in line with previous studies that highlighted the importance of leadership in cultivating trust and positive organizational relationships (Dirks & Ferrin, 2002; Samimi et al., 2022). The results also confirm H2, which indicates that organizational trust has a positive influence on institutional reputation. Trust is a strategic intangible asset to strengthen institutional legitimacy and credibility. The result aligns with prior studies indicating that organizational trust plays a crucial role in reputation and stakeholder confidence (Fulmer & Gelfand, 2012; Matos et al., 2024). In the context of higher education in Pakistan, where universities are increasingly vying for the best students, quality faculty and international acclaim, trust becomes paramount in maintaining a positive institutional image.

Also supported was H3: There is a direct relationship between strategic leadership and institutional reputation. This discovery highlights Strategic leaders develop a long-term vision, foster innovation, provide effective governance and act responsibly to face the challenges. The findings are consistent with earlier research that emphasized image and reputation of the organization depend on leadership (SN Ch, et al., 2025; Plewa et al., 2016; Samimi et al., 2022). Strategic leadership is a valuable resource of sustainable competitive advantage for Pakistani universities; looking to improve their global rankings and research productivity.

Moreover, organizational trust is a mediator between strategic leadership and institutional reputation, which confirms H4. This result is supportive of SET which suggests that positive exchanges between leaders and organizational members foster trust and commitment (Blau, 1964; Cropanzano & Mitchell, 2005). It highlights the relationship between strategic leadership and reputation is not only direct one, but also foster organizational unity and trust among stakeholders through mediation.

In addition, the results suggest that POS helps to advance the strategic leadership-institutional reputation link, which supports H5. As predicted by Social Exchange Theory, supportive organizational climates facilitate the establishment of reciprocal obligations and promote the individual role in the organizational success. It indicates positive effect of strategic leadership on institutional reputation is more pronounced when employees experience high levels of organizational support. This result supports previous research that has shown organizational support to be a significant factor in improving employee attitudes and organizational outcomes (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002).

Although there have been significant expansions in the HEC, the universities in Pakistan are facing complications of governance, insufficient funding, competitiveness in international arena and research productivity. These structural challenges can erode stakeholders' trust and restrict institutional strength. Institutional leaders can build a culture which facilitates faculty engagement and strengthens the legitimacy by establishing clear governance, participatory decision-making and positive organizational culture.

The results also confirm that internal stakeholders are influential in the reputation building process. This study extends prior research, which has emphasized the external stakeholders as primary source of institutional reputation, by arguing that reputation is fundamentally rooted in the internal dynamics. The image & perception, attitude and behaviour of faculty greatly affect image and assessment of the university's quality parameters. This outlook also supports the proposition that universities can shape their reputational capital by building trust-based relationships and nurturing positive organizational cultures.

In general, the results add to the existing research on strategic leadership and higher education by revealing that organizational trust is a key process that connects leadership and institutional reputation. Importantly, the study points to the contingent role of perceived organizational support; the effectiveness of strategic leadership is not just dependent on leadership capabilities but also on the organizational context.

Implications of the Study

This study makes a contribution to the existing empirical literature on strategic leadership-institutional reputation by introducing mediating variable of organizational trust and the perceived organizational support as a moderating variable in the model.

Theoretically, this study contributes to the ever increasing research literature on strategic leadership by extending the application of Social Exchange Theory (SET) in the context of Pakistani universities (Blau, 1964; Cropanzano & Mitchell, 2005). Strategic leadership creates reciprocal relationships of trust, support and mutual commitment that in turn improves institutional reputation. The study also highlights that reputation formation is not only the effect of external branding but also effect of positive social exchanges that are taking place within academic institutions.

Moreover, this study considers organizational trust as a crucial mediating variable between strategic leadership and institutional reputation. The current study emphasizes the role of relational and psychological processes in analyzing the ways university earn reputational capital. Furthermore, the moderating effects of POS offer further insights into the conditions under which strategic leadership is more effective. The results highlight the need to build trust; as the trust becomes a strategic asset that inspires faculty to work together, commitment to the project and share knowledge. Therefore, HEIs must provide mechanism that improve fairness, transparency and accountability in academia and administration. Systems of merit-based promotions, inclusive governance structures and open communication channels can help to enhance trust and confidence in institutional leadership by the stakeholders.

The findings indicate supportive organizational environments are a multiplicative factor of the positive effect of strategic leadership on institutional reputation. Thus, the university must establish policies to show care and concern for employees' professional and personal health. Faculty development initiatives, performance recognition, flexible work options, sufficient institutional resources and research grants are few of the strategies that can build trust in institutional support and foster faculty involvement in the institution.

Despite the major efforts of HEC, issues like low confidence in institutions by stakeholders, faculty retention, inefficient bureaucracy and poor funding for research still plague many institutions. This study's results indicate that structural solutions are not enough; leadership solutions are needed to create an environment of trust and support.

Furthermore, the research underscores the importance of internal stakeholders in reputation building, as universities have been more inclined towards external measures. The present results show that a large part of the institutional reputation comes from the inside of the institution. Therefore, along with external branding campaigns; initiatives targeting an employee engagement, employee trust in the institution and internal support need to be accorded priority.

Lastly, the study calls for the use of context-specific leadership practices that are appropriate to the context and challenges of Pakistani HEIs. Due to the variations in socio-cultural, economic and institutional conditions from developed countries, leadership practices and management techniques must be tailored to local realities for better outcomes.

Conclusion

In this study, the relationship of strategic leadership with institutional reputation was explored using the theoretical prism of SET in the context of Pakistani HEIs. In particular, it examined the mediation of OT and moderation of POS between leadership practices and institutional reputation. The results demonstrate that strategic leadership is an important organizational capability that has a direct and indirect impact on the reputation of universities.

Overall, the findings indicate that strategic leadership significantly contributes in building trust within the organization and enhancing its reputation, highlighting the critical importance of leadership in cultivating trustful environment. Furthermore, the results suggest that positive effect of strategic leadership on institutional reputation is strengthened by favourable perceptions of organizational support, highlighting the need for supportive environments to improve the effectiveness of strategic leadership.

Challenging the traditional view that institutional reputation is predominantly constructed through external stakeholders, this study highlights the importance of internal processes of the organizational reputation. Thus, institutional reputation can be seen not only as the product of external visibility, but as a social construction and a product of reciprocal interactions.

It confirms the usefulness of SET to explain the attitude formation and organizational behaviors in academic institutions. Therefore, structural changes and external branding are not enough to attain these goals but also need to develop strategic leadership skills, foster trustful relationships and develop supportive institutional climates that promote faculty involvement and institutional commitment. These actions enhance the legitimacy, boost competitive advantage and help to maintain sustainability of HEIs.

Overall, this research validates the fact that institutional reputation has not only tangible underpinnings but also symbolic recognition. It is essentially linked to leadership effectiveness, organizational trust and supportive social exchanges. Academic leaders who are able to build trust and provide supportive organizational environments will be crucial in maintaining their institutions' excellence and elevating the global positioning of universities. Thus, Strategic leadership should not be seen as an administrative job but as a supremacy that can drive the future and image of universities in Pakistan.

Limitations and Future Research Guidelines

The current study has some limitations which provide a suitable ground for future research. Firstly, the multi-source approach should be followed including assessments of academic leaders, administration, students, alumni, employers and policy makers. This triangulation would give a more extensive and solid account of institutional reputation and its causes. Secondly, the cross-sectional study design limits the capability of establishing causal relationships between constructs examined in this study. Longitudinal study is needed in future research to explore relationships and establish definitive causal inferences. Future research to develop more holistic theories and provide contextually relevant information that can benefit the effectiveness, competitiveness and global positioning of HEIs.

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