

The Impact of Innovation Leadership & Entrepreneurial Orientation on Organizational Performance

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ABSTRACT

This paper observes the relationship between effects of innovation leadership & entrepreneurial orientation on the organization performance in all types of firms. The convenience sampling is used to collect data from private & government sectors employees. Total 160 questionnaires were distributed & we received the response from 150 different organizations providing the data necessary of analysis of our integrated model. This result of the study demonstrated that innovation leadership & entrepreneurial orientation are positively related to organizational performances exhibiting the direct effect. It has been analyzed & found that innovation leadership & entrepreneurial orientation plays & important part for maximizing organizational performances of the firms. The direct & positive effect on the organization's performances also provides us unique, novel & diverse readings indicating a large amount of positive change due innovation leadership & entrepreneurial orientation.

KEYWORDS: Entrepreneurial Orientation, Innovation Leadership, Organizational Performance

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Introduction

Precise meaning of the innovation is ‘‘something novel or different introduced’’ (Dictionary,

2011). Innovation is a significant force for the sustainable growth of a firm. Innovation Leadership is a very important philosophy for all types of organizations in achieving various types of best performance outcomes. Organizations need

innovative leaders at all time, that can do miracles & boost the organization's success. Innovation leadership combines all styles of leadership to inspire employees to originate innovative ideas, services & products. To understand innovation leadership we must understand the difference between creativity & innovation. Creativity as the words suggest means creation, it's about increasing the power of mind to go beyond the traditional ideas & methods to some meaningful new ideas & methods. Creativity is a form of expression or a way of solving problems. On the other hand innovation is a process of putting the novel creative ideas into operations & it includes three steps, idea generation, evaluation & implementation. That's why innovation is the only way to produce distinct products & services, tempting the customers to choose your product or services against your competitors & hence enhancing the performance outcomes. Leadership is a process of inspiring others to do more, to learn more or to outperform their existing capabilities for performing a task. Innovation leadership is defined as the ability to both think & influence others to create & implement new & better ideas for fostering the organizational performance outcomes. It has two components "Innovative Leadership – implementing innovative thinking for performing leadership task" & "Leadership for Innovation – creating an environment where others are

thinking innovatively". The foundations for creating innovation leadership culture includes champion innovators guidance or supervisor's role, encouragement of creativity, creative workforce, pressure handling, autonomy & fault tolerant environment. Innovation leadership is an important philosophy for attaining a strategic fit for an organization. Organizations have been constantly working for achieving external (Aldrich, 1979; Miles, Snow, & Fit, 1994; Nenkath Venkatraman, 1989; Natarajan Venkatraman & Camillus, 1984; N Venkatraman & Prescott, 1990) & internal strategic (Miller, 1996; Porter, 1996) fit because not it only enables the firm to adapt to unexpected possibilities but also act as a preventive to artificial to put in (Rivkin, 2000; Siggelkow, 2002). Innovation leadership as whole is best practice to compete in a long run & for fostering best performance outcomes. Previous researches have been done on generic leadership styles (Barling, Loughlin, & Kelloway, 2002; Lewin, Lippitt, & White, 1939; McGregor, 1960; Schneider, Ehrhart, Mayer, Saltz, & Niles-Jolly, 2005) such as transactional & transformational leaderships in achieving strategic fit for an organization that will enhance the organization's performance but little did we know that how a certain type of leadership (Innovative leadership) (Schneider et al., 2005) will cultivate the strategic fit & to what extent it

will enhance the organization's performance (Van de Ven & Chu, 1989). In this research we will address (Schneider et al., 2005) the recent researches on innovative leadership as a major contributor in achieving strategic fit as a result increasing organization's performance. In this research we will also study to what extent the innovation leadership will be affecting the different performance measures of an organization (Abraham Carmeli & Ashler Tishler, 2004; Abraham Carmeli & Asher Tishler, 2004; Stashevsky, Burke, Carmeli, & Tishler, 2006). In this research paper we will be removing the gap of finding the influence of innovation leadership on firm's performance. Organizational learning theory connected with this trait of innovation leadership is described as the process of transferring knowledge to the people in an organization to impact the change required by an organization to prosper. This is only possible with the help of the required leadership qualities that motivates the people in an organization to innovate accordingly. Innovative leadership enables the people to learn from mistakes & emerge successfully instead of backlashing from the target required due to demotivation

Entrepreneurial Orientation is an extensively accepted term for creating organization's success by capturing or nurturing various performance outcomes of an organization such as financial, product & relationship (process). In this era of 21st century all the firms faces many challenges due to innovative competitors & hence speeding up the competitive dynamism. The strategies that previously had brought success to the

organization will not be merely creating success against the market orientation of the competitors. Thus, a new strategy is required in strategic orientation by the firm's entrepreneurial dimensions (Covin & Slevin, 1991; Kuratko, Hornsby, & Hayton, 2015) to compete against the market as a successful organization. Many previous studies provides the support of positive linkage between the EO & organization's performance (Rauch, Wiklund, Lumpkin, & Frese, 2009), also in strategic marketing researches (Alegre & Chiva, 2013; Hakala, 2013; Yu, Nguyen, & Chen, 2016) but there is a need for the research in many other attributes in an organization (Wiklund & Shepherd, 2005). It has also been shown in the previous researches that inconsistency has shown effects of EO on organizational performances. Researchers suggested the market orientation & EO must be aligned with each other such that their synergistic effect may lead to revolutionized novel products and achieving best performances (Amin, Thurasamy, Aldakhil, & Kaswuri, 2016; Baker & Sinkula, 2009). EO is a progression of creating new strategies of an organization to compete against the changing environmental dynamism by providing entrepreneurial decisions & action required by the organization. EO is the best orientation to be implemented in the uncertain environment because of its ability of pro-activeness (Covin & Lumpkin, 2011). EO is process of forming a cooperate strategy known as the tactical posture of the organization that demonstrates pro activeness, risk taking & innovative attitude. EO provides firm's decision power, rules, & practices that guide both advantage-pursuing

(exploitation) & opportunity-pursuing (exploration) activities. Key characteristics of EO include risk taking, autonomy, pro-activeness innovativeness & competitive aggressiveness. EO is considered to be an effective approach for ensuring survival, long term growth & to deal with uncertain environment because of firm's proactive approach to innovate continuously. EO facilitates the firm's to pursue novel methods for improving the income streams, increase the probabilities of triumph in international market & effectively utilizes the organizational resources. EO helps the firm in reaching the higher organizational performance & long lasting competitive advantage. EO is the best organizational trait that when practiced, organizations will result in greater organizational performances (Hakala, 2013; Wiklund & Shepherd, 2005) & long lasting survival plus growth (G Tom Lumpkin & Dess, 1996; Zhao, Li, Lee, & Bo Chen, 2011). EO is the best strategy that ensures organization's long run survival & to provide the best response to competitive & challenging business environment. EO orientation allows the firms or organizations to grab & identify the opportunities more successfully than the non-entrepreneurial firms (Covin, Green, & Slevin, 2006; Gathungu, Aiko, & Machuki, 2014; Rauch et al., 2009). In this research we will be covering the gap & studying the effects of EO on the performance. RBV theory is widely accepting theory in terms of entrepreneurial orientation. RBV theory indicates that firm's uses multiple strategies to understand their potential by exploiting the existing resources to achieve the competitive advantage. While exploiting the

existing resources, according to the "Opportunity Based" theory firm's capture the opportunity of exploration & makes innovations & take risks.

Achieving a desired organizational performance is the back bone of every firm. Organizational performance may be defined as the complete analysis of the company yearly, quarterly or monthly performance with the desired goals & objectives. It ensures that the company's resources are utilized properly in attaining the desired results & goals. We can say that the company's real goals & achievements are compared with the desired goals & achievements, thus resulting the success or failure of a firm (Business Dictionary). Firms will have high organizational performance when the productivity, customer satisfaction & motivation of its employees are high while rates of turnover, costs, & labor unrest are low. We cannot measure organizational performance directly that's why organizational performance is divided into two forms quantitative performance & qualitative performance measures that contains economic factors, relationship (process) factors & product performance factors, respectively. Firm performance is a multidimensional paradigm that has been researched by the numbers of researchers (Hult & Ketchen Jr, 2001; Ray, Barney, & Muhanna, 2004). Organizations adopt different strategies to enhance the firm's performance. Generally, two approaches are used for evaluating the organizational performance, subjective approach that is mostly based on self-reporting & objective approach mostly based on financial

data sets. (Ellis, 2006) proposed that organizations must study subjective approaches for measuring the extent of performances because it has always been problematic to gather the objective facts from the organization, due to privacy & other factors. Moreover, (Jabeen & Mahmood, 2014) explained that most of the time owner/managers of the firm are not willing to provide financial data, because of this our research adapted the subjective approach to calculate organization's performance.

Theoretical Background and Hypothesis

Development

Innovative Leadership & Firm Performance

Transformation of 21st century & growing competition is not anything more than the modern day industrial revolution in any department of the organization by using best techniques & measures to make a successful organization & achieve enhanced organizational performances. Innovative leadership is a trait that plays an important part in enhancing the organizational performances to its limits & hence allowing the firm to achieve a top position among the competitors. Disney's animation studio Pixar depends on collaborative creative leadership to make their movies successful in the market as compared to other competitors. Pixar films that include Toy Story, Finding Dory & Finding Nemo are some of the top earning movies of all times with Toy Story 3 earning \$1.60 Billion in 2010. Pixar have earned many Golden Globe Awards, Grammy Awards & Academy Awards. Success of Pixar is only credited to its innovative leaders because they formed an atmosphere that provides the support

of transmuting the creative ideas to final products. Pixar leaders realized that innovation cannot be commanded it can only be enabled & leaders play important part in enabling it. Every Pixar film contains "thousands of ideas" (Hill & Birkinshaw, 2014) ideas from all associates rather than only from director & creative leaders. Thus, Pixar's success is depended on the contribution from every member of the firm across all the organization functions.

On the other side of the coin, many emerging & growing industries lost the battle because of lacking innovation leadership to innovate with the emerging trends & thus faced the consequences. For example Kodak captured the market for nearly a century but Kodak leaders were unable to innovate, digital photography & it caused them to drop their shares from the market to 94%. Motorola dominated the industry with its phone Razr until 2003 but Motorola leaders botched to innovate more & lost the dominancy to its competitors such as Apple & Samsung & lost \$4.3 Billion from 2007 to 2009 (Ante, 2011). What is creativity? Creativity is generation of the valuable or novel philosophies or answers to the unsolved problems (Amabile, Conti, Coon, Lazenby, & Herron, 1996; STERNBERG, 1988). Therefore, innovation is the successful application of novel ideas or solutions to unsolved problem (Amabile et al., 1996). As (LePine & Van Dyne, 1998) defined, innovation initiates with the birth of the novel concepts & explanations that challenges & competes the existing procedures & steps. Innovation doesn't take place without creativity therefore the leaders must promote creativity

first to enable themselves for the innovation implementation.

Innovation leadership is process of fostering innovation by creating a friendly environment that guides & leads the people to innovate smartly. Innovation leadership involves both things that are to innovate like a leader & to create an environment so that others try to make innovations. Innovation leadership allows the firm's to adapt the change in continuously changing environment (Beer, Voelpel, Leibold, & Tekie, 2005). Innovative leadership has its origins in path goal theory & leader member exchange theory. In the past, different people have given their view points on the innovation leadership. Agin & Gibson (2010) emphasized on mounting innovation culture & strategic path through leadership; (Morris, 2007) focused on evolving innovating culture; (Vitello-Cicciu, 2003) stresses on emotional intelligence; (Jeong & Keatinge, 2004) stressed on holistic view; (Hamel, 2006) talked about innovative management & (Hodge & Linney, 1999; Maxwell, 2005; Prestwood & Schumann Jr, 2002) provided some social procedures on innovative leadership. Innovation leadership helps the firms to enhance organizational performances by creating a motivated environment among the employees. Innovative leaders are the essential top management team required by a firm to compete in this progressive world.

Innovation leadership is an essential trait to achieve strategic fit for an institute which in turn provides the highest organizational performance for a firm in all terms such as product, economic & relationship performances. Strategy is

successful if innovative leadership ensures both that the firm is adding value internally against the competitive environment & an organizations is capable of shielding itself from any external threats ensuring its viability (Carmeli, Gelbard, & Gefen, 2010). We hypothesize that the innovation leadership boosts the organizational performances. We reason that the innovation leadership enhances organizational performances because it cultivates the context is such a way that enables the change & adaptation. Innovation leadership using high levels of attention shapes the environment into competitive landscapes (Weick, 1976) which encourages the formation & capacity to learn & progress in the high velocity environments (Beer et al., 2005) as a result performance enhanced organization is obtained. .

Hypothesis (H1) Innovation leadership practices when implemented in an organization positively affect the performance.

Entrepreneurial Orientation & Organizational Performance

Entrepreneurial orientation (EO), phenomenon of developing strategies that offers the bases for entrepreneurial conclusions & arrangements in a firm (Rauch et al., 2009). (G Tom Lumpkin & Dess, 1996) defined EO, the plans & practices that allows an organization to implement entrepreneurial strategies when having new business opportunities. (Miller, 1983) proposed that entrepreneurial firms plays part in product innovation, risky ventures & proactive innovations whipping out the competitors of the market. He proposed three dimensions of EO: innovativeness, risk taking, pro-activeness (Stam & Elfring, 2008). Innovativeness specifies the

capability of the firm willing to accept new ideas & novelty that will result in new product/service (G Thomas Lumpkin & Dess, 2001). Risk taking means “the amounts till which people are agreeable to take huge uncertain steps or practices in the concern of achieving success against the market competitors (G Thomas Lumpkin & Dess, 2001). Pro-activeness is the capability of business to make a start & grasp the undiscovered market, exploit the evolving chance & organize the organization positively (Rauch et al., 2009). (G Tom Lumpkin & Dess, 1996) proposed two new constructs which are associated with EO, namely competitive aggressiveness & autonomy. Competitive aggressiveness indicates the company's tendency to ferociously encounter its competitors to make a start or to achieve a better position by successfully competing against the market. Autonomy indicates the degree to which team or an individual in an organization is willing to capture market opportunities from start to the end.

Researchers have developed research that have shown that entrepreneurial orientation contributes to the organization's economic, product & relationship (process) performances (Kajalo & Lindblom, 2015; G Thomas Lumpkin & Dess, 2001; Rauch et al., 2009). In history both direct & indirect effect of EO on organization's performance has been studied, but it has also been seen in the experimentation that at some point exceeding too much entrepreneurial orientation in the organization might not add up value or growth to the organization. The organizations that perform entrepreneurially are ready to answer any

challenge by cut throating the competitive environment (Covin & Slevin, 1989; Hakala, 2013). EO assists the firm to proactively examine the peripheral atmosphere & yield advantage of evolving opportunities in the market ((Kwak, Jaju, Puzakova, & Rocereto, 2013; Wang, 2008) EO enables the firm to see opportunities in achieving large returns, premium customers & obtaining advantage at first place (G Tom Lumpkin & Dess, 1996).

The connection between the EO & organizational performance has been the major concern for research history (Wales, Patel, Parida, & Kreiser, 2013). There are researches which provide the evidence of the direct link (Covin & Slevin, 1989, 1991). There are researchers that found the indirect link of EO with performance (Wales et al., 2013; Walter, Auer, & Ritter, 2006). Earlier studies investigation on entrepreneurial orientation & organizational performances shows that the EO is essential for the firm's long term existence & the continuous development. As such, (Wiklund & Shepherd, 2005) conducted research on EO & proposed that EO has a noteworthy influence on the organizations performance. (Ibrahim & Mahmood, 2016) did their research in Nigeria & found that implementation of EO has a positive impression on SME's organizational performances. (Hussain, 2015) analyzed the effects of EO on SME's in Malaysia & concluded with proofs that EO has optimistic & greater effect on organization's performances. (Eggers, Kraus, Hughes, Laraway, & Snyckerski, 2013) in article provided that 660 SME's in Austria have shown a remarkable progress in their performances when they were operated under the

shadow of entrepreneurial orientation. Considering the positive effect of EO on performances, (Altinay, Madanoglu, De Vita, Arasli, & Ekinici, 2016) researched on 500 SME's of the north Cyprus mainly service industries & found out the EO has greatly influenced the sales & market share growth. In similar manner, (Roxas, Ashill, & Chadee, 2017) in their research on 197 small industries concluded that EO has enabled them to act proactively & innovatively & thus enhancing the performance. A study conducted by (Wiklund & Shepherd, 2005) on 808 Swedish companies covering the labor-intense sector, knowledge intense sector, professional & retail sectors & found that innovativeness, pro activeness & risk-taking collectively called EO has significant positive effects on the organization's performances. So it is concluded that if a SME industry likes to grow the EO provides the fuel

to the fire. Likewise, the vital part of EO has been shown in reaching the extraordinary company's performance (González-Benito, González-Benito, & Muñoz-Gallego, 2009). Based on the Meta analysis EO-performance linkage reported in 51 articles, Rauch et al. established that positive effect of EO on organizational performances is quiet large. However, (Kreiser, Marino, Kuratko, & Weaver, 2013) found out that connection between entrepreneurial orientation & business performance is sometimes nonlinear and EO have small or zero positive effect on organizational performance. Some researcher's posted even the curved relationship between entrepreneurial orientation & firm performance (Dai, Maksimov, Gilbert, & Fernhaber, 2014; Wales et al., 2013). Based on the preceding conversation, the resulting hypothesis is proposed.

Hypothesis (H2) Organization's entrepreneurial strategies when implemented results in the enhanced organization's performance.

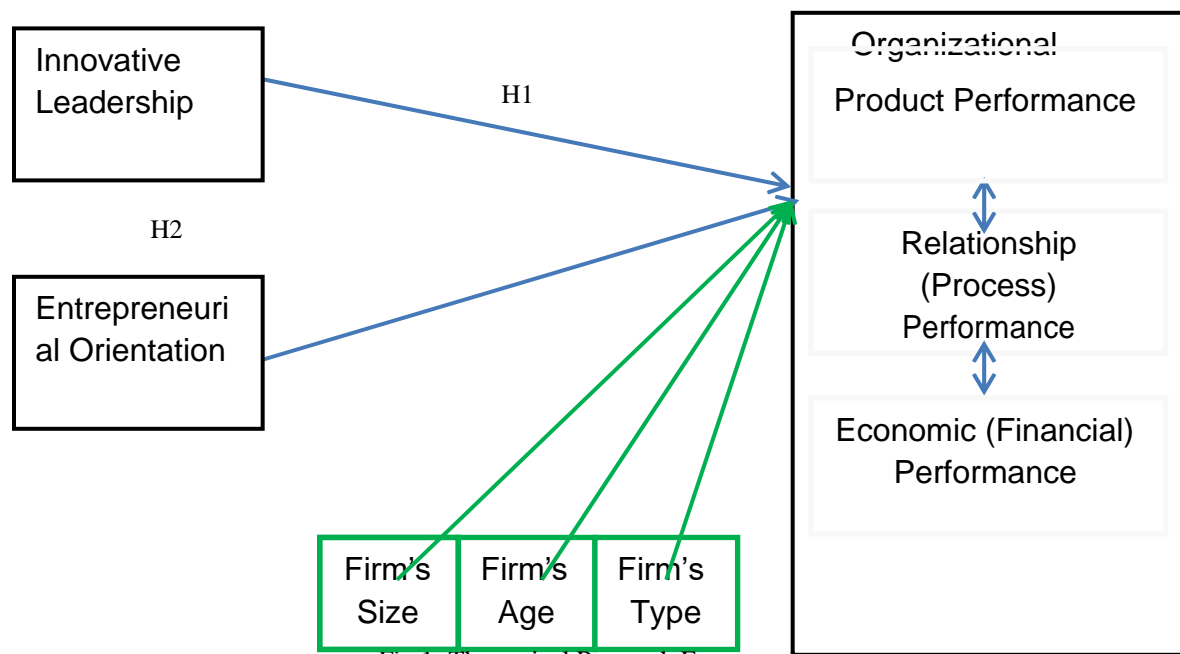


Fig 1: Theoretical Research Framework

Research Methodology

Sample Design and Data Collection

The research is quantitative & descriptive & nature. To test our proposed hypotheses we used the adopted questionnaire. The population of this research was top level management & middle level management consisting of 150 CEO's, Directors, General Managers, Departmental HOD's & Managers from all size & types of industries & organizations including manufacturing, services & R&D firms working in the country. By using convenience sampling 160 questionnaires were distributed. Out of 160 questionnaire's send we received response from 150 yielding a response rate of 93.33 percent. Most of the responses collected were mainly male dominated.

Measures

Measures are the questions or items that were included in the questionnaire for each variable & have been used earlier by any of the researcher because of having expertise in that specific variable research. A structured questionnaire was designed to collect data from the employee to test hypothesis. All measures are adopted for all construct from previous studies conduct this research. The measure was developed from Minnesota Innovation Survey to assess innovation leadership (Van de Ven & Chu, 1989) & was employed by Lovelace, Shapiro & Weingart (2001) that includes six items. The respondents were asked to evaluate the items using five point scale (1=Strongly Disagree to 5=Strongly Agree), the degree to which leaders of their organization exhibits innovative leadership behavior. The measure was developed

from (Covin & Slevin, 1989, 1991) that contained 6-item scale for covering the multi-dimensional concept of innovative behaviors, proactive agenda & ready to take risks. The respondents were asked to evaluate the items using five point scale oscillating from (1=Strongly Disagree to 5=Strongly Agree). We chose 11-items measure used by Delaney & Huselid (1996) to develop the multiple indicators of organizational performance. The respondents were asked to evaluate organization's performance compared to their major competitors ranging (1=Much worse than the Competitors to 5=Much better than the Competitors) on a like-RT scale.

Control Variables

Various studies have shown the importance of controlling the demographic variables because they likely affect the proposed relationships (Allworth & Hesketh, 1999; Hunter & Hunter, 1984; McDaniel et al., 1988). We used control variables for firm's size, age & type. Firm's size determines the number of resources an organization may possess as well as economies of scale for an organization giving a clear advantage to innovate things over smaller sized industries. Firm's age is the number of years since the foundations of an organization has been placed. It has been controlled because it has been seen that younger firms' trends to innovate more as compared to much mature firm. In the end firm's type has been controlled across different sectors of organizations because of the impacts of potential differences present across each sector. We use control variables because these variables are mostly changing the effects that's

why we control these variables to find out the desired results of the variables.

Analysis and Results

Reliability Analysis

Reliability analysis refers to the ability of a scale to give the same results consistently when tested a number of times. The table 1 shows reliability value for all the variables is in between 0.800 to 0.949, therefore the reliability of all the variables is very good & the data is reliable (Basheer et al., 2018; Hafeez et al., 2018; Basheer et al., 2019; Hameed et al., 2019; Muneer et al., 2019; Basheer et al., 2021; Nisar et al., 2021; Nuseir et al., 2020).

Table1 Reliability of Variables

Variables	No. of Items	Cronbach’sAlpha (α)
Innovation Leadership	06	0.862
Entrepreneurial Orientation	06	0.844
Organizational Performance	11	0.931
OP (Product)	02	0.687
OP (Relationship)	04	0.848
OP (Economic)	05	0.898

Correlation Analysis& Regression Analysis

Table 4.2.1 represents the correlation for the theoretical variables. This test of covariance between two variables independent & dependent is done to calculate the value or ‘r’ or in other words Pearson Correlation value. It tells us about significance level & number of cases included which in our case are 150 respondents from different organizations. Positive & negative sign with the value of r indicates the positive & negative correlation between two variables. Its value ranges from -1.00 to +1.00. +1.00 values indicate the perfectly positive correlation & -1.00 values indicate the perfectly negative correlation. If the values of r, are in between ± 0.10 to ± 0.29 then the strength of relation is positively or negatively small. Strength of relation is medium

when the value lies between ± 0.30 to ± 0.49 . Large & great strength is obtained when the values of r lies between ± 0.50 to ± 1.00 . When there is no relation between the variables then the value of r is 0. Correlation also tells us about the significance level. If the ‘p’ value of Sig.2 values is less than 0.05 then we can say that the relation is statistically significant& strongly significant when ‘p’ value or Sig.2 is less than 0.01.

We use correlation analysis for calculating the coefficient of determination, which indicates the variance of two correlating variables. Table 2 indicates that all the correlation values of all the variables exhibits positive & strong correlation & are all statistically significant because $p < 0.01$ indicating strong significance.

Variables	1	2	3	4	5	6
1) IL_T	1					
2) EO_T	0.676**	1				
3) OP_T	0.603**	0.720**	1			
4) OP (P)_T1	0.573**	0.693**	0.835**	1		
5) OP (R)_T2	0.576**	0.652**	0.921**	0.704**	1	
6) OP (E)_T3	0.519**	0.645**	0.938**	0.705**	0.762**	1

*N = 150, *p < 0.05, **p < 0.01. **Correlation is strongly significant at 0.01 levels (2-tailed);*

**Correlation is significant at 0.05 levels (2-tailed). IL_T= Innovation Leader Total, EO_T= Entrepreneurial Orientation Total, OP_T= Organizational Performance Total, OP (P) _T1= Organizational Performance (Product) Total, OP (R) _T2= Organizational Performance (Relationship) Total, OP (E) _T3= Organizational Performance (Economic) Total.*

Innovation leadership (X1)& entrepreneurial orientation (X2) are the two independent variables used&their effect on dependent variable organizational performance (Y) is studied. To check the dependence of these two independent variables on the dependent variable, simple linear regression is used. After running the analysis on SPSS following results were obtained. Table 3 shows that innovation leadership variable predicts organizational performance which is also called the total effect of X1 on Y. Values of $R = 0.6034$, $F(1,148) = 84.7350$, $p < 0.01$, $R^2 = 0.3641$ indicates that the

relation of X1 predicting Y is statistically significant explaining the total effect. Table 4 shows relation is positively correlated $\beta = 0.9269$, $t(148) = 9.2052$, $p < 0.01$ & represented by path-a on the Fig 4.4.1. This proves that innovation leadership predicts the organizational performance for an organization, explaining the total effect of X1 variable on Y variable. Hence, our first hypothesis is satisfied & accepted.


Accepted  H1:- There is an obvious positive relationship between innovation leadership practices & organization’s performance

Table 3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.603	.364	.360	6.34382

Predictors: (Constant), IL Total

Table 4 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	21.849	2.418		9.034	.000
	IL Total	.927	.101	.603	9.205	.000

Dependent Variable: OP Total

Table 5 shows that entrepreneurial orientation variable predicts organizational performance variable which is also called the total effect of X2 on Y. Values of $R = 0.7202$, $F(1,148) = 159.5374$, $p < 0.01$, $R^2 = 0.5188$ indicates that the relation of X predicting Y is statistically significant explaining the total effect. In table 6 it is shown that relation is positively correlated $\beta = 1.2159$, $t(148) = 12.6304$, $p < 0.01$ & represented by path-b on the Fig 2. This proves

that entrepreneurial orientation predicts the organizational performance for an organization, explaining the total effect of X2 variable on Y variable. Hence, our second hypothesis is satisfied & accepted.

Accepted 7 H2:- Organization's entrepreneurial strategies when implemented results in the enhanced organization's performance

Table 5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.720	.519	.516	5.51865

Predictors: (Constant), EO Total

Table 6 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	15.685	2.255		6.956	.000
EO Total	1.216	.096	.720	12.631	.000

Dependent Variable: OP Total

Table 7 Path Coefficients for Structural Paths ‘a’ & ‘b’

Structural Path	Path Coefficient	P-Value
IL → OP	0.927**	
EO → OP	1.216**	

N = 150, *p < 0.05, **p < 0.01. **Correlation is strongly significant at 0.01 levels (2-tailed); *Correlation is significant at 0.05 levels (2-tailed). IL= Innovation Leader, OP= Organizational Performance.

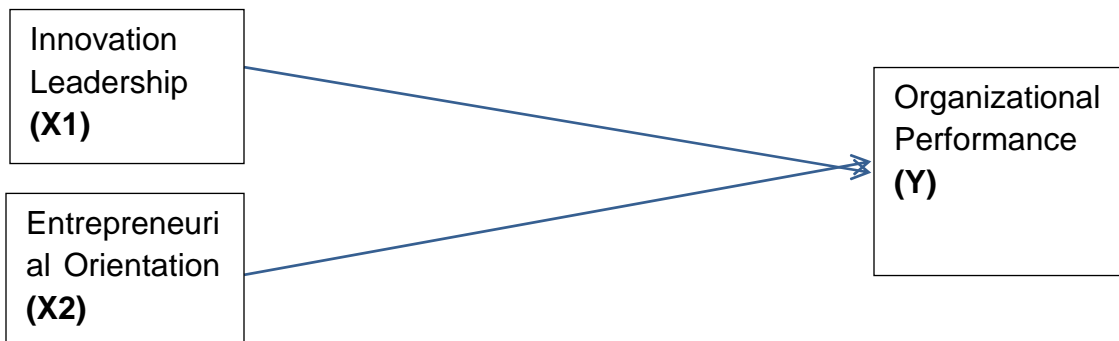


Fig 2 The Emerged Statistical Relationship between Innovation Leadership, Entrepreneurial Orientation & Organizational Performance

DISCUSSIONS AND CONCLUSION

The outcomes of the study show maximum support for the entire hypothesized model & all the hypotheses are accepted. Innovation leadership is positively related with organizational performance. Entrepreneurial orientation is positively related with organizational performance. Innovation leadership & entrepreneurial orientation are positively correlated with the organizational performance& regression analysis shows the

dependence of two independent variables on organizational performance is quiet significant & positively high. In under developed countries such as Pakistan, very few studies theoretically & empirically analysed the impression of innovation leadership & entrepreneurial orientation on organizational performance. This research helps us to understand the concept of innovation leadership & entrepreneurial orientation & their effects comprehensively. The role innovation leadership & entrepreneurial orientation as independent variables for achieving top organizational

performance has never been studied which makes our research distinct & novel.

Through the finding of the research are profitable but a part from theoretical & practical implications, there are few limitations in the present research which needs to be considered. The sampling technique used was probability purposive sampling. The sample size of the research was inadequate, therefore in order to get more inclusive information a large diverse sample need to be considered. The sample of the research was from both the public & private organizations, as the culture of both government & private organizations in Pakistan is completely different therefore, a specified research need to be done on both government & private organizations separately. The sample data was collected from different types, size & ages of industries, therefore there is gap of research for studying the effect of innovation leadership & entrepreneurial orientation on specific type, size & age of an organizational in detail.

Different types of leadership styles can be used study the increase in organizational performance. Future studies may authenticate our findings with divisions of different entrepreneurial orientation dimensions such as innovations, pro activeness & risk taking. Future investigation may also profit from evolving an active way to assimilate different directories of innovation leadership & entrepreneurial orientation. These integrations will provide industries a better way to implement innovation leadership & entrepreneurial orientation asa result of achieving higher organizational performances. Mediators such as organizational ambidexterity could be researched with other various management practices & organizational dimensions such as creativity, environmental

munificence, performance management, risk taking, capability based HRM, pro innovation culture etc. Different moderators affecting innovation leadership & entrepreneurial orientation can be studied such as environmental dynamism, competitiveness, market orientation technological turbulence, scope, resource endowment etc.

As the business world becomes more worldwide & multifarious, evolving & sustaining high organizational performances is very difficult. We need specific organizational traits that help the organizations yielding higher performances. This paper results & proves that certain organizational traits such as innovation leadership & entrepreneurial orientation when implemented in an organization results in higher organizational performances in terms of product, relationship & economic performances.

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