

# NEAR EAST UNIVERSITY INSTITUTE OF GRADUATE STUDIES DEPARTMENT OF BUSINESS ADMINISTRATION

# THE ROLE OF ENTREPRENEURIAL LEADERSHIP ON COMPETITIVE ADVANTAGE WITH THE MEDIATING EFFECT OF ORGANISATIONAL CITIZENSHIP BEHAVIOUR AND INNOVATIVE BEHAVIOUR

Ph.D. THESIS

Kansu ERCANTAN

Nicosia June, 2024

KANSU-ERCANTAN

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2024

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Ph.D. THESIS

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> Nicosia June, 2024

### Approval

We certify that we have read the thesis submitted by Kansu ERCANTAN titled "The Role of Entrepreneurial Leadership on Competitive Advantage with the Mediating effect of Organisational Citizenship Behaviour and Innovative Behaviour" and that in our combined opinion it is fully adequate, in scope and in quality, as a thesis for the degree of Ph.D.

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Ι

## **Declaration of Ethical Principles**

I, Kansu Ercantan, hereby declare that all information, documents, analysis, and results in this thesis have been collected and presented according to the academic rules and ethical guidelines of the Institute of Graduate Studies, Near East University. I also declare that as required by these rules and conduct, I have fully cited and referenced information and data that are not original to this study.

## Kansu Ercantan

...../2024

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## Kansu ERCANTAN

#### Abstract

## The Role of Entrepreneurial Leadership on Competitive Advantage with the Mediating effect of Organisational Citizenship Behaviour and Innovative Behaviour

## Ercantan, Kansu Ph.D., Department of Business Administration June, 2024, 109 pages

Entrepreneurship is seen as a crucial driver of economic growth. The ability of management to influence employee attitudes and behaviours towards organizational goals is pivotal for an organization's competitiveness, development, and survival. Convenience sampling was used as the sample method to get quantitative data from the 440 manufacturing sector employees through the use of a cross-sectional design. The study's objective was to investigate the link between entrepreneurial leadership and competitive advantage mediated by employees' innovative behaviour, and organizational citizenship behaviour via the lens of resource-based view theory. The findings of the study revealed that entrepreneurial leadership fostered an encouraging and supportive environment in the workplace, which in turn led to a sustainable competitive advantage. Additionally, the findings showed that innovative and organizational citizenship behaviours significantly mediate the relationship between entrepreneurial leadership and competitive advantage. By expanding the applicability of resource-based view theory, the results of this research also contribute to the comprehension of the interplay between innovative attitudes, manufactural development, competitive advantage, and leadership, specifically in the context of manufacturing sector organizations.

*Keywords:* entrepreneurial leadership, innovative behaviour, organizational citizenship behaviour, sustainable competitive advantage, manufactural development.

#### Özet

# Girişimci Liderliğin Rekabet Avantajı Üzerinde Örgüt Vatandaşlık Davranışı ve Yenilikçi Davranışın Aracılık Etkisi

## Ercantan, Kansu Doktora, İşletme Yönetimi Bilim Dalı June, 2024, 109 sayfa

Girişimcilik, ekonomik büyümenin kilit bir itici gücü olarak görülmektedir. Yönetimin, çalışanların kurumsal hedeflere yönelik tutumlarını ve davranışlarını etkileme yeteneği, bir organizasyonun rekabetçiliği, gelişimi ve hayatta kalması için hayati öneme sahiptir. Kuantitatif verileri elde etmek için örnekleme yöntemi olarak uygunluk örnekleme yöntemi kullanılmış ve 440 imalat sektörü çalışanından kesitsel bir tasarım kullanılarak elde edilmiştir. Çalışmanın amacı, girişimci liderlik ile rekabet avantajı arasındaki bağlantıyı, çalışanların yenilikçi davranışları ve örgütsel vatandaşlık davranışı aracılığıyla kaynak tabanlı görüş teorisi perspektifinden araştırmaktır. Çalışmanın bulguları, girişimci liderliğin işyerinde cesaretlendirici ve destekleyici bir ortamı teşvik ettiğini ve bunun sürdürülebilir bir rekabet avantajına yol açtığını ortaya koymuştur. Ayrıca, bulgular, yenilikçi ve örgüt vatandaşlık davranışlarının girişimci liderlik ile rekabet avantajı arasındaki ilişkiyi önemli ölçüde aracılık ettiğini göstermiştir. Kaynak tabanlı görüş teorisinin uygulanabilirliğini genişleterek, bu araştırmanın sonuçları ayrıca imalat sektörü organizasyonları bağlamında yenilikçi tutumlar, imalat gelişimi, rekabet avantajı ve liderlik arasındaki etkileşimin anlaşılmasına katkı sağlamaktadır.

*Anahtar kelimeler:* girişimci liderlik, yenilikçi davranış, örgüt vatandaşlık davranışı, sürdürülebilir rekabet avantajı, imalat gelişimi.

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## List of Abbreviations

EL:	Entrepreneurial Leadership
IB:	Innovative Behaviour
OCB:	Organizational Citizenship Behaviour
CA:	Competitive Advantage
<b>RBV:</b>	Resource-Based View
SCT:	Social Cognitive Theory
SDT:	Self-Determination Theory
DS:	Descriptive Statistics
MN:	Mean
SD:	Standard Deviation

## CHAPTER I Introduction

This chapter comprises the study's background, the research problem, the objective, the questions, the significance, the limitations, the outline of the research method, the dissertation's structure, and pertinent research descriptions.

#### **Background of the Study**

Employees are the most critical source of intellectual capital for successful firms in the twenty-first century. The ability to control employees' attitudes and steer their behaviour toward corporate goals is crucial for surviving in the face of intense competition. Employees who behave outside the bounds of their jobs and responsibilities, as well as those who support such behaviours for corporate goals, have a significant impact on the advantages that businesses reap. The primary driver of organizational competitive advantage in their industry is entrepreneurship. It is anticipated that encouraging innovative and entrepreneurial behaviour and attitudes will provide one an advantage in the marketplace. In the modern era, implementing novel concepts in organizations is essential for developing new solutions that safeguard the environment and the welfare of societies (Szutowski, D.; Szulczewska-Remi, A.; Ratajczak, P. 2017) as well as for the long-term survival of a business (Jiménez-Jiménez, D.; Sanz-Valle, R. 2011). Studies on innovations generally, and ecological innovations in particular, tend to ignore internal company processes-the micro-level mechanisms that foster innovative behaviour. Entrepreneurial behaviours are characterized as being creative and proactive, whereas managerial attitude toward risk is defined as an intrinsic managerial tendency present at the level of senior managers tasked with developing and implementing strategies-favouring strategic actions that have uncertain outcomes.

Companies with a competitive advantage might be encouraged to create value so that they can cut expenses, recognize possibilities, and overcome problems. SMEs, for example, are thought to benefit from competitive advantage (Agha et al., 2012). Furthermore, entrepreneurial leadership is linked to competitive advantage (Chen, 2007); (Cooper et al., 2007). When a leader possesses a creative entrepreneurial spirit, it has a direct impact on the company's competitive edge. A CEO who is creative and can tackle obstacles by seeing change as an opportunity will undoubtedly support product diversity through its features, which will motivate staff to be more imaginative. This continual innovation process will inspire the drive to make improvements quickly and easily. This innovation, of course, will have a huge impact on gaining a competitive advantage (Gebauer et al., 2011). Employees will be more innovative if they have access to good information technology (Manzini et al., 2003). Innovation is the process of renewing various resources so that they can provide additional benefits to humanity. The advancement of information technology has a significant impact on the innovation process, making it easier to create something new and unusual. This continual innovation process occurs in human existence as a result of the desire to make things easier and faster. When the utilization of information and communication technologies improves, employee innovation improves as well. For small and medium-sized enterprises (SME) to be able to meet increasingly competitive challenges, this capacity is critical. SMEs require employee innovation. One of the keys to winning the competition is innovation. SMEs aspire to use innovation to create wholly new or distinct items, or to improve existing products. Consumers aren't just interested in the value or function of a product that they require; they're also interested in the product's additional value. SMEs that can provide value might gain a competitive advantage and keep their market position. The studies also demonstrate that innovation contributes to competitive advantage (Ollo-López et al., 2012). The leadership type which encourages innovation and recognition of opportunities in challenging and competitive environments is explained as entrepreneurial leadership (Freeman and Siegfried, 2015). However, little investigation has been done on the impact of entrepreneurial leadership on the innovation process and corporate innovation performance (Fontana & Musa, 2017), and there is limited study done investigating the influence of entrepreneurial leadership on staff innovation behaviour (Huang, Ding, & Chen, 2014). Furthermore, there has not been any research done on the relationship between entrepreneurial leadership and workers' ability to spot innovative and entrepreneurial opportunities, to their knowledge. Moreover, many investigations on the influence of leadership on employee behaviour and performance has been undertaken in the USA, while distinct techniques to guide employees' innovative idea generation and implementation have been developed in Europe (Currie, Humphreys, Ucbasaran, & McManus, 2008). Innovation has been defined as the main source of survival power, competitiveness and also the reason of consistent expansion of technological companies, hence the economic development of developing countries (Binnui and Cowling, 2016, Tung and Yu, 2016). Encouraging and guiding innovation and recognizing opportunities, on the other hand, is difficult in various ways. First of all, leaders must confront the challenges of persuading and motivating workers to abandon the outdated ways of performing tasks and behaving in order to dedicate their time and energy to developing innovative ideas and engaging in the challenges of problem solving (Chen et al., 2016). Secondly, they must increase employee engagement and persistence in order to persuade others of the value of their innovative idea and earn their endorsement in bringing it to realization (Radaelli et al., 2014). Innovation can be difficult and also risky; leaders are in charge of coming up with methods that encourage new idea development inside the workplace. (Fontana and Musa, 2017). For example, technological company leaders are in charge of navigating complex processes like connecting technology and science with innovation while also encouraging the workers to come up with new inventions to stay a step forward from their rivals (Binnui & Cowling, 2016). As a result, leaders have critical responsibilities in motivating and facilitating individual and group employee creativity, as well as fostering a motivating environment that fosters the business's innovation process.

According to scholars, entrepreneurial leadership is known to be a very effective type of leadership for working in complex and challenging environments. It is known to be supportive of innovation and focused on recognising opportunities in any type of business (Fontana and Musa, 2017). Entrepreneurial leaders are also in charge of their company's innovation process and performance (Fontana and Musa, 2017). This type of leadership has an impact on a company's growth, competitiveness, and performance regardless of its size, nature, and structure (Renko et al., 2015). SME leaders' entrepreneurial efforts also boost the impact of other types of leadership, such as transformational leadership, on their company's innovation (Chen et al., 2014). Sufficient study is clearly required to comprehend how and why interpersonal trust is important and how it intrinsically motivates employees for work engagement and contributes with a competitive advantage.

The evidence from the literature shows that entrepreneurial leadership creates a competitive advantage (Palalic, 2017). This shows that the personal motivating traits of these leaders may contribute to the transmission of leader attitudes onto employee behaviour. Accordingly, the study's hypothesis is that the relationship between the entrepreneurial leadership and the emergence of competitive advantage within the organization is mediated via the innovative behaviour and organizational citizenship behaviour of the employees. When a leader demonstrates entrepreneurship, their followers are motivated, more likely to become involved in their work, and more inclined to go above and beyond what is expected of them. By providing workers with inspiration and motivation, they are able to make significant contributions to their workplace and take personal initiative, which is likely to result in greater performance and outcomes for the organization. The citation provided is from a study conducted by Schaufeli, Salanova, González-romá, and Bakker in 2002.

#### **Research Problem**

Employee's innovative behaviour, or the creation and use of novel ideas in the workplace as they appear in routine tasks, is a crucial micro base for the overall innovativeness of the company (Lukes, M.; Stephan, 2017). The employee's innovative behaviour is a crucial catalyst for the business's development which is particularly evident in small businesses, which account for the majority of private employment (European Commission-Work Programme 2018-2020) and lack dedicated innovation departments. Moreover, the business's enterprising owner typically serves as both the manager and the employee's supervisor. In order to create a workplace that supports employee innovative behaviour, his or her leadership behaviours are crucial (Dunne, T.C et al., 2016). As suggested by another study (Yang, J.; Pu, B.; Guan, Z., 2019), entrepreneurs were perceived as leaders in small businesses because they typically oversee their staff directly. There are many different types of leadership, and the impact of a leader's traits on the behaviour of their subordinates is a developing field of study (Liao, S. et al., 2019). The theory of entrepreneurial leadership is expanded upon in this study. Given the recent revelations on the dishonest behaviour of certain firm managers, it is critical to focus on the leaders' actions in demonstrating authenticity in professional relations rather than manipulating others. A business manager's success today demands more than mere leadership or entrepreneurial skill. To succeed, managers must possess both entrepreneurship and leadership skills. This is when the idea of entrepreneurial leadership becomes apparent. A new and cutting-edge style of leadership called entrepreneurial leadership combines the spirit of entrepreneurship with leadership abilities. Additionally, entrepreneurial leadership is developing new goods, new procedures, and chances for business growth in already-existing companies; working in institutions of higher learning and addressing neglected social issues; taking part in political and social movements; and helping to modify the policies and services that governments and civil society organizations currently provide. Entrepreneurial leadership has emerged as a novel phenomenon in corporate management in recent decades, and it merits discussion.

Leadership scholars emphasize the need for further research on the relationship between a leader's traits and employee behaviours within organizations (Yammarino, F.J.; Dionne, S.D.; Schriesheim, C.A.; Dansereau, 2008)". The current study fills these gaps in the literature by examining the psychological mechanisms at play that underlie the relationship between employees' innovative behaviour and organizational citizenship behaviour and entrepreneurial leadership. This study presents and examines an approach that suggests that the higher the perception of a leader's entrepreneurial qualities, the greater the display of both innovative behaviour and organizational citizenship behaviour by their followers.

#### **Research Objective**

This study's primary aim is to research and identify concludingly the following 4 objectives.

To introduce a conceptual model that identifies the relationship between entrepreneurial leadership and competitive advantage.

To examine the ways in which innovative behaviour and organizational citizenship behaviour act as mediators and offer novel perspectives on the intricate organizational processes that sustain the connection between entrepreneurial leadership and competitive advantage.

To add to a more robust and nuanced understanding of the correlation between entrepreneurial leadership and competitive advantage by incorporating resource-based view, social cognitive theory, and self-determination theory.

To expand the existing body of literature on entrepreneurial leadership and generate new studies in the field.

#### **Research Questions**

Investigators from a range of disciplines have examined the relationship between entrepreneurial leadership and competitive advantage, but this study stands out because it adds to the literature on leadership regarding the innovative and organizational citizenship behaviours of employees in the process of establishing competitive advantage for organizations. This thesis addressed the following research questions in light of gaps in the literature.

What is the influence of entrepreneurial leadership and competitive advantage?

Does entrepreneurial leadership have direct effects on the innovative and organizational citizenship behaviours of employees?

What role does innovative behaviour play in mediating the connection between entrepreneurial leadership and competitive advantage?

Does the interaction between entrepreneurial leadership and competitive advantage get mediated by organizational citizenship behaviour?

Therefore, to answer these questions the competitive advantage of organizations is measured by testing the impact of entrepreneurial leadership via innovative behaviour and organizational citizenship behaviour on competitive advantage.

#### Significance of the Study

This study contributes with empirical evidence about innovative and organizational citizenship behaviours and their relationship to entrepreneurial leadership and competitive advantage. The main aim of this research is to examine the direct and indirect effects of entrepreneurial leadership on competitive advantage by checking the mediating effects of innovation and organizational citizenship behaviour. This study reinforces previous studies by demonstrating that employees' innovative behaviour and organizational citizenship behaviour are strong processes that impact the entrepreneurial leadership innovation process. Therefore, this study adds to the body of knowledge on entrepreneurial leadership by creating and evaluating a novel model via which entrepreneurial leadership encourages employees' creative and organizational citizenship behaviours and consequently influences competitive advantage of businesses. Hence, this study closes several knowledge gaps and adds significantly to the body of research on innovation and leadership by providing empirical support for the role that entrepreneurial leadership plays in promoting competitive advantage and by closely analysing the mediating mechanism of innovative behaviour.

#### Limitations of the Study

There are a few limitations on the current study. Cross-sectional sampling was the method used. In order to replicate this research, investigators should conduct a longitudinal study to examine cause-and-effect linkages. For improved generalizability, future research should employ random sampling rather than the convenience sample used in this study. The demographic profile of respondents was not considered in this study. Thus, age, gender, education level, and organizational position and experience should be studied. entrepreneurial leadership- competitive advantage relationships could also be examined using other variables.

#### **Outline of the Research Methodology**

Research Objectives Research Strategy Research Design Participants and Procedure Measures Data Collection

## Structure of the Dissertation

This thesis follows the general format of a dissertation. The six chapters and introduction form the structure of this work. A research problem, the study's research purpose and research questions, the study's importance and limitations, a methodology outline, and the dissertation's structure are all included in the introduction section. An overview of the literature on the link between entrepreneurial leadership and competitive advantage and their mediators is included in Chapter II. It puts emphasis on the study's importance for the literature while highlighting details from the literature on the recommended topic. A series of hypotheses is put forth in this chapter, which is the theoretical framework, and they will be investigated further. The study's research methodology, which covers the sample, methods for gathering data, research design, research strategy, and data analysis, is provided in Chapter III. Chapter IV contains the presentation of the research findings and outcomes. The findings and outcomes are

reviewed in Chapter V. And with a review of the research's results, contributions, theoretical and practical ramifications, and future directions, Chapter VI comes to a conclusion.

*Introduction is* the first chapter which defines the study problem, objective, and questions.

*Literature Review;* the study's second and third chapters analyze the literature utilizing concepts, theories, facts, arguments, and examples to draw conclusions. Hypotheses of the investigation are examined in the theoretical framework that follows.

*Research Methodology;* the fourth chapter of the study covers how to answer research questions and hypotheses. This involved quantitative study and a questionnaire for evaluation.

*Results and Findings;* the fifth chapter discusses reliability, validity, factor analysis, common method bias, hypothesis testing, descriptive statistics, and correlation analysis.

*Summary of Chapter and Discussion; t*he sixth chapter evaluates SPSS 26 and AMOS 24 analysis results and explains the study's constructs.

*Summary of Findings, Conclusion, and Recommendations; in the seventh* chapter, the previous chapter's findings are used to draw conclusions, make recommendations, and suggest further research. In order of research question, each argument and recommendation are offered.

Definition of Terms; the definitions of terms are provided below:

#### Entrepreneurial Leadership (Independent Variable)

Entrepreneurial leadership can be defined as a leader, who is also have the skills of entrepreneurship.

## Competitive Advantage (Dependent Variable)

A firm's competitive advantage boosts incomes over costs by making its offerings more appealing than its competitors.

#### Innovative Behaviour (Mediator)

Innovative work behaviour is defined as quickening the initiation and establishment of new creative work in order to promote new creative ideas, methods, procedures, and products.

## Organizational Citizenship Behaviour (Mediator)

Organ (1988) describes the notion of organizational citizenship behaviour as voluntary individual action that contributes to the overall effectiveness of the company but is not immediately or publicly acknowledged by the official incentive system.

## CHAPTER II Literature Review

This chapter describes the study's variables and shows how they relate to one another in addition to providing conceptual definitions, descriptions, the theoretical underpinnings of the research, and information previously available in the literature on the issue.

#### A Review of the Variables

This part focuses on reviewing the most significant literature that has been examined in a series of earlier research, ranging from historical studies to contemporary studies, in relation to the current study. The literature review will be presented as follows;

#### Entrepreneurial Leadership

Managers of businesses should be able to look for innovations, seize opportunities when they present themselves, and take some calculated risks. These qualities are present in managers who are both leaders and entrepreneurs. The idea of entrepreneurial leadership now becomes apparent. Entrepreneurial leadership is a leader with entrepreneurial skills. In other words, innovative, producing, interchanging, and strategic managers are referred to as entrepreneurial leaders. They are also capable of taking calculated risks, grasping opportunities, and persistently pursuing innovation. Innovative leaders identify new opportunities that provide value for companies, stakeholders, and society. They also have a deep understanding of their surroundings and themselves. Establishing social, environmental, and economic opportunities is the primary driving force for leaders. An entrepreneurial leader is someone who can reorganize their company to take advantage of new opportunities and enhance their capacity to devise strategies for competing in a highly uncertain environment (Huang et al., 2014). The aptitude to envision the firm's future success, ability to recognize opportunities, ability to motivate and inspire team members to take progressive entrepreneurial actions, ability to solve problems creatively, and reinforcement of an organizational innovation culture are some of the traits of the entrepreneurial leadership (Sawaean, 2020).

Entrepreneurial leadership and transformational leadership are very similar in that both focus on raising followers' performance while also appealing to their needs. Nonetheless, the ability of an entrepreneurial leader to foster such performance is determined by the necessity for the business to adjust to new environmental opportunities. Thus, entrepreneurial leadership's primary task is to inspire followers to engage in creative, entrepreneurial endeavours (Lajin and Zainol, 2015). Entrepreneurial leadership mobilizes the ability to tackle problems in entrepreneurship. According to Lajin and Zainol (2015), entrepreneurial leadership indicators include persuading subordinates that they can accomplish goals, appealingly expressing an organization's vision, guaranteeing that their efforts will yield outstanding results, and having the ability to tolerate environmental changes that will eventually enhance organizational performance. Scholars define entrepreneurial leadership using three primary methods (Bagheri, 2013). They start by highlighting the traits and qualities that set entrepreneurial leaders apart from other types of leaders. Second, they look at the surroundings and circumstances in which leaders of firms are able to use entrepreneurial concepts and techniques to fulfil their responsibilities. Finally, they witness a social process whereby entrepreneurial leaders influence others to realize their own goals (Wibowo and Saptono, 2018). Three dimensions were used by Gupta, MacMillan, and Surie (2004) to conceptualize entrepreneurial leadership; innovation (fostering team members' creativity and producing new products and services), proactiveness (encouraging people to constantly compete with other organizations), and risk-taking (being willing to face uncertainty and take responsibility). Given that entrepreneurial leadership ensures sustainability and establishes a competitive advantage, it appears to be related to business growth (Palalic, 2017). Nevertheless, there hasn't been much research done on the connection between entrepreneurial leadership and business models, thus more research is required.

Despite its importance, there is still a lot of discussion over what entrepreneurial leadership is and how to define it. The characteristics of entrepreneurs and the behaviour of leaders in established firms were studied by the investigators (Fontana and Musa, 2017) as well as leadership competencies and performance of business owners to identify this type of leadership (Koryak et al., 2015, Middlebrooks, 2015). Some investigators focused on the unique features and personas of entrepreneurs (Leitch and Volery, 2017). Other investigators focused their research on the characteristics of entrepreneurial leaders in guiding the innovation process (Middlebrooks, 2015) and recognising opportunities (Cogliser and Brighamb, 2004). Nevertheless, empirical data on the impact of entrepreneurial leadership on employee behaviour has only lately become available. Gupta et al. (2004) provided a theoretical foundation for entrepreneurial leadership based on personal and also functional difficulties and competencies of entrepreneurial leaders in organizational contexts. This theory stated that entrepreneurial leaders' personal competencies enable them to foresee a successful future for their company by creating an innovative culture environment in the workplace and also by helping them identify opportunities in such an environment, whereas their functional competencies give them the ability to influence and motivate their group members to leave their current and traditional task performances in favour of executing innovative and entrepreneurial actions. Employees' perceptions of their abilities are also reshaped by entrepreneurial leaders' involvement in the development of creative ideas and their confidence in and dedication to putting the ideas into action. Entrepreneurial leaders can also use these personal and functional qualities to influence and govern their staff' willingness to innovate and recognize opportunities (Renko et al., 2015). In SMEs, entrepreneurial leaders have a significant impact on innovation in many ways. First of all, they are crucial in building an exciting entrepreneurial culture for the company (Karol, 2015) as well as creating new solutions to solve challenges, create competitive advantage and so increase the company's performance (Fontana and Musa, 2017).

In reality, one of the most important qualities of a successful entrepreneur is the ability to think creatively (Surie and Ashley, 2008). According to Karol (2015), leaders use entrepreneurial leadership qualities (innovativeness, proactivity and risktaking) so that they can increase the success and effectiveness of their task performance (Karol, 2015). Second of all entrepreneurs use a method to reach their goals which include analysing and identifying the potential and capabilities of their employees so that they can create an environment which that result in increasing selfefficacy of the individual, encouraging them to come up with new ideas and focus their motivation towards putting these ideas into action (Fontana et al., 2017). Finally, entrepreneurial leaders foster are in charge of creating an encouraging and supporting atmosphere in the workplace in which all their employees are aware that innovation is one of their responsibilities and they pursue it no matter the difficulties they face (Karol, 2015). Moreover, they provide the structures and mechanisms necessary for their company's long-term innovation process (Leitch and Volery, 2017). Previous research has mostly focused on large corporations, yielding results that may or not be applicable to SMEs' extremely demanding and unclear environment (Leitch et al., 2013). Research has connected the resource-based view to entrepreneurial orientation. The primary goal of the resource-based view framework is to improve knowledge of how companies obtain competitive advantage and how that advantage may be maintained in the future (Todorovic & Schlosser, 2007). Entrepreneurial orientation has been defined as "the intentions and actions of key players functioning in a dynamic generative process aimed at new-venture creation" (Lumpkin & Dess, 1996). According to Fiş and Wasti (2009), entrepreneurial orientation is a strategic decision-making approach that places businesses and their executives on a continuum that runs from conservative to entrepreneurial and places them according to their entrepreneurial endeavours.

#### Competitive Advantage

Competitive advantage, as noted by Wang (2014) and Ceglinski (2017), is attained when a company is able to create or obtain characteristics or behaviours that allow it to surpass its rivals. In areas including product quality, market share, and technological advancement, competitive advantage helps a company outperform its rivals profitably. The degree to which a company's offerings are more alluring than those of its rivals and, in the process of creating value, generate more revenue than expenses is known as its competitive advantage. According to Hosseini et al. (2018), competitive advantage is a company's unique characteristics that enable it to provide clients with better services.

The challenges that an organization faces in the age of globalization include fierce competition amongst organizations. Organizations need to have a significant competitive advantage in order to compete in the global market. Hence, in an attempt to position the company for more intense competition through unique competency relative to the competences of competing organizations, management must give careful thought to the concept of competitive advantage. An active management of the company's human resources might lead to a competitive advantage, according to Pfeffer, J., et al. (2002). The primary source of competitive advantage is human capital, thus treating them equitably is crucial to maximizing their potential. In their 2014 study, Khawaja et al. looked at organizational effectiveness and strategic human resources management in Pakistani companies.

The investigators determined that organizations must differentiate themselves from competitors by enhancing resource allocation and efficiency in order to get a competitive advantage. Every business works very hard to surpass competitors in competitive advantage. The emergence of organizational citizenship behaviour which is the key to success, has currently dominated research in behaviour science. Employees that behave in this way are also regarded as the organization's good soldiers, and every organization needs such soldiers to thrive in this competitive marketplace. Organizations must have an excellent understanding of the behaviours that lead to good citizenship behaviour in order to achieve this.

Competitive advantage implies a pervasive efficiency in a single market measure. The business has an edge over rival companies due to its superior execution, which can be interpreted as a positive performance difference (Ranjhan & Mallick, 2018). Sustainability is one perspective that should be taken into account when evaluating competitive advantage (Porter, 1985). When an organization modernizes a procedure that can produce value and isn't carried out simultaneously by another competitor, either current or prospective, it creates a sustained competitive advantage.

Competitive advantage is vulnerable to competition loss after it is established, and this is mostly because of the position of competing businesses. Maintaining the competitive advantage over time and making it realistic requires a variety of skills and resources, such as the ability to mimic and mold cordons (Grant, 1996). A general approach can only last so long as a few obstacles are put in place to prevent impersonation, which means the organization must keep paying to keep its position strengthened (Porter, 1985). The most dynamic and ever-evolving resource is intellectual capital, that is obtained from the human capital that an association offers. It has been discovered that businesses value their competitive correlations and interorganizational partnerships, or intercorrelations, more and more as a preferred method of creating a competitive advantage (Areias & Eiriz, 2013; Cygler & Sroka, 2014).

Competitive advantage is critical because business sustainability is attained by competitive advantage, which is created in value to customers when the strategy is developed. In a niche market, this value could be found in cost leadership, product or service differentiation, or the speed with which customers are served. Indeed, competitive advantage is defined as a company's capacity to set itself apart from its competitors (Sultan and Mason, 2010). According to Jones (2003), the competitive advantage approach can be divided into three categories: cost leadership, differentiation, and focus. These tactics are widely utilized by businesses and can effectively respond to corporate objectives.

Competitive advantage is one of the cornerstones to entrepreneurial success, which can be described as an enterprise's capacity to achieve greater performance than its rivals (Porter, 1985). To strengthen entrepreneurial results, business approaches that endorse cost reduction, market opportunity exploitation, and competitive threat neutralization are known to be in connection with competitive advantage (Newbert, 2008). Firms must react based on experience to create a competitive advantage in highly dynamic circumstances when there is a high level of rivalry and market scenarios are difficult to predict (Schilke, 2014). Moreover, enterprises should be flexible in terms of when to enter the market and when to alter their business as a respond to current business events (Sher and Lee, 2004). In the context of rapid market changes and unsustainable competitive advantages, the entrepreneurial resource is an ideal concept for explaining a company's potential to achieve significant performance plans, particularly in the information technology sector. Other businesses, on the other hand, fail to do so (Covin and Lumpkin, 2011).

Entrepreneurial leadership, particularly top executives, is widely acknowledged in the literature as a critical resource for a company's worldwide competitiveness (Banutu-Gomez, 2007). It is proposed that top management teams guide staff members toward accomplishing the company's strategic goals (Rastogi, 2003), which necessitates that they be prepared to take advantage of a potential competitive advantage (Banutu-Gomez, 2007). There is a connection between entrepreneurial leadership and long-term competitive advantage, according to another research.

When completing the entrepreneurial leadership components, Ireland and Hitt (2005) examined how a company may leverage its entrepreneurial leadership practices as foundations of competitive advantage. Competitive advantage can be preserved when entrepreneurial leadership is used in companies with the capability to grow skills. Several organizations have continuously used resources and capacities to generate durable competitive advantages, the resource-based view stated (Prahalad and Hamel, 1990). The resource-based view theory on entrepreneurial leadership explained that, most of the entrepreneurial leaders believe that investing in human

capital may help sustain the firm's competitive advantage (Ireland and Hitt, 2005). As a result, previous research suggests that there is a link between entrepreneurial leadership and competitive advantage. Prior research, however, have not shown a direct link, which now has to be thoroughly validated.

## Innovative Behaviour

By expediting the start and establishment of new creative work, innovative work behaviour is defined as fostering new creative ideas, methods, procedures, and products (Farr and Ford, 1990). According to Janssen (2000), innovative behaviour is the outcome of an individual's initiative. It produces answers for issues that arise within the company (Widodo and Mawarto, 2020). Idea creation, idea promotion, and idea realization are the three interconnected behavioural tasks that make up employee innovative work behaviour, according to Scott and Bruce (1994).

De Jong and Den Hartog's (2010) work provides a thorough explanation of innovative behaviour. During the initial stage of this procedure, the staff member generates fresh and insightful concepts to assist the company in solving issues and offering cutting-edge services. The employee tries to present these fresh concepts and ideas to leaders and fellow workers in the second stage. The employee can finally realize their ideas and solutions when they are implemented within the company. Both the organization and its employees benefit from innovative work behaviour (Khan et al., 2021).

Entrepreneurial leadership boosts innovation by cultivating a fascinating entrepreneurial vision (Karol, 2015). To realize the goal, entrepreneurs must enhance their worker's attitudes and self-efficacy in coming up with new ideas, as well as direct them to put new ideas into action (Kang et al., 2015). Such leaders also foster a climate and culture within the company that encourages and supports people in taking on the challenges of innovation (Karol, 2015). Investigators looked at the entrepreneurial conduct of established leaders and the behaviour of business owners to identify entrepreneurial leadership style (Middlebrooks, 2015).

Initial versions of the concept focused on the exceptional qualities and situational factors that allow people to successfully lead entrepreneurial businesses, as well as the differences in the behaviour of entrepreneurial leaders when faced with the difficulties of running a business (Gupta et al., 2004). Latest definitions have focused

on the skills and roles of entrepreneurial leaders in coming up with new ideas and directing the innovation process (Renko et al., 2015).

Entrepreneurial leaders, according to Surie and Ashley (2008), are creative innovators who are extremely dedicated to creation of value. Entrepreneurial leaders, according to Middlebrooks (2015), are individuals who use their particular expertise and abilities to expand innovation and seek new prospects.

Recent empirical research has looked on the impact of entrepreneurial leadership on organizational innovation (Huang, Ding et al., 2017). Gupta et al. (2004) constructed a theoretical framework for entrepreneurial leadership based on the personal and also the functional obstacles faced by entrepreneurial leaders in organizational contexts, as well as their abilities to overcome those challenges. Entrepreneurial leaders' personal abilities, according to the notion, allow them to establish an original vision for their company. Entrepreneurial leaders' functional competencies enable them to persuade and encourage their team to leave their traditional moves in favour of innovative actions, they focus them in the development of innovative ideas, and increase their self-assurance in and commitment to putting the new ideas into action (Leitch et al., 2013).

At work, innovation might come from innovative concepts generated within the organization or from partners, friends, managers, or employees. The procedure of conveying these thoughts to other people follows. The idea can move forward with its preliminary phase if it is approved and authorized for implementation. Even though innovative behaviour is highly valued by scientists and practitioners, measuring innovative behaviour is still a very challenging task.

De Jong and Hartog (2008) offer four dimensions—opportunity discovery, idea production, advocacy, and application—for measuring innovation in the workplace. Innovation theory frequently emphasizes that innovation encompasses the application of generated ideas and is more expansive than creativity. In light of this, De Jong and Hartog (2008) created an innovative behaviour that not only clarifies the issue of idea generation but also the behaviour necessary for the ideas to be implemented in a way that can enhance the performance of both individuals and organizations.

According to De Jong & Hartog (2008), an individual's behaviour in the workplace is defined as an endeavour to achieve the stage of introduction or to introduce ideas, processes, products, or novel and helpful procedures (in his work, group, or organization). As a result, the innovative behaviour assessment they created takes into account both the introduction and application phases of creative ideation. An issue that needs to be solved, an opportunity that presents itself, or a puzzle that needs to be solved are the common factors that define when the innovation process starts. Looking for ways to enhance the service or the most recent delivery method is one kind of exploring opportunities. Another is trying to come up with new ideas for the work process, product, or service.

The next component of the innovative behaviour is idea generation, which is the initial stage of taking advantage of the prospects. It's crucial to have the ability to create novel strategies for seizing possibilities in order to be innovative, in addition to being aware of one's chances and opportunities. Idea generation is the process of drafting with improvement in mind. The concepts that are produced can be related to a good, service, or procedure; they can also be related to expanding into new markets; they can involve improving the current workflow; or they can simply be the answer to the issues that have been recognized. When an idea is developed, advocating is yet another crucial component. Most of the concepts must be marketed.

To put innovations into practice, coalitions are frequently required; this is how one gains the authority to pitch the concept to possible partners. Prospective consumers of the suggested innovation—coworkers, leaders, clients, etc.—frequently lack confidence in the innovations' additional value. In order to persuade and sell this to the buyer, skill is required. This phase, known as championing, involves attempting to persuade others of the proposed innovation's additional value. In addition, the ideas that have received support must be put into practice. Implementation refers to creating a new process or product or refining an existing one. Staff members must embrace the concept by putting up a lot of work and having a goal-oriented mindset. To be able to put that concept into effect, an individual's behaviour must change.

Innovation in a work environment refers to the creation of novel and valuable products, services, or manufacturing techniques (McKinley, W.; Latham, S.; Braun, M.,2013). It has been demonstrated that employees' creative capacity contributes to the long-term growth and success of both small and large businesses (Amabile, T.M., 1988). In small businesses, the proprietor typically oversees the operation as well. As a result, his or her leadership style and attitudes have a significant impact. Previous research has established the significance of managers' support for employees' innovative behaviour (Scott, S.G.; Bruce, R.A., 1994).

Immediate supervisors might encourage innovation in subordinates, according to a meta-analysis conducted by Hammond and colleagues (Hammond, M.M.; Neff, N.L.; Farr, J.L.; Schwall, A.R.; Zhao, X., 2011). The meta-analysis focused on determinants of organizational members' creativity. The idea behind authentic leadership is that by inspiring their followers to be more fearless and creative, authentic leaders may foster innovation (Avolio, B.J et al., 2004). Managers that exhibit high relational transparency are able to publicly support their subordinates and convey that they appreciate their abilities and want them to achieve well (Zhou, J.; Ma, Y.; Cheng, W.; Xia, B., 2014). Consequently, by developing their employees' personal capital, these leaders may encourage them to apply their ideas and explore novel approaches to problem-solving.

Additionally, because they are more open to experience and tolerant of ambiguity, entrepreneurial leaders tend to encourage diversity in viewpoints and ideas among their followers (Avolio, B.J et al., 2004). As a result, over time, subordinates will perceive the leader as a reliable source of advice and criticism and will feel more empowered to question the norms in the workplace (Walumbwa, F.O et al., 2008).

Furthermore, entrepreneurial leaders frequently exhibit greater self-assurance and a willingness to try new things and take calculated risks (Mumford, M.D et al., 2002). In addition to fostering an environment that values creativity, they could encourage employees' innovative behaviour by modelling it (Avolio, B.J et al., 2004).

#### Organizational Citizenship Behaviour

Investigators hold varying perspectives about the dimensionality of organizational citizenship behaviour. It was proposed by Smith, Organ & Near in 1983 that a conceptualization had been consist of two dimensions; altruism and generalized compliance. Graham (1991) conducted a study on organizational citizenship behaviour and identified three dimensions: organizational obedience, organization commitment, and organization participation. Organizational obedience refers to the willingness to comply with the rules, regulations, and policies established by an organization in accordance with its structure. Oplatka (2006) adopted a more comprehensive method. The author examined seven elements of organizational citizenship behaviour, namely helping, sportsmanship, organizational loyalty, organizational compliance, individual initiative, civic virtue, and self-development. Organ (1988) proposed a widely accepted classification consisting of five distinct characteristics or factors: altruism,

courtesy, conscientiousness, civic virtue, and sportsmanship. Furthermore, Organ (1990) incorporated two supplementary criteria into his analysis: peacekeeping and cheering (Podsakoff, MacKenzie, Moorman, and Fetter, 1990).

Organ (1988) describes the idea of organizational citizenship behaviour as voluntary individual action that contributes to the overall effectiveness of the company but is not immediately or publicly acknowledged by the official incentive system. According to Farh et al. (2004), organizational citizenship behaviours are tasks that aren't specifically mentioned in a worker's job description. This aligns with Organ's five organizational citizenship behaviour dimensions: Altruism, or helping others in an organization with their tasks; (2) courtesy, or consulting with and attending to coworkers' needs and wants in order to prevent conflicts at work (3) sportsmanship (4) civic virtue, or participating in organizational operations and showing concern for the organization's survival and (5) conscientiousness, or acting in an organization's best interests.

According to Trong Tuan (2017), this definition demonstrates how organizational citizenship behaviour improves employee behaviours. The survival, success, efficacy, and sustainability of an organization depend on voluntary activities, or organizational citizenship behaviours (Organ, 1997; Somech and Oplatka, 2014; Utami et al., 2021). According to Podsakoff et al. (2000), organizational citizenship behaviour has a negative impact on turnover intention, absence, and turnover. organizational citizenship behaviour is described as behaviour that shows up as support from the social and psychological environments to help with task performance. This conduct facilitates the completion of tasks and benefits the organization (Organ, 1997). This behaviour is demonstrated by a willingness to labour and contribute to the organization in a deliberate and voluntary manner (Organ et al., 2006). organizational citizenship behaviour includes actions like lending a hand to others, volunteering for extra work, and following policies and guidelines at work. This behaviour is an example of prosocial behaviour that is constructive, meaningful, and beneficial social behaviour. It also demonstrates the additional value that employees provide to the workplace. organizational citizenship behaviour is considered a workplace behaviour that goes above and beyond what is required of one by their personal judgment. According to organizational theory, the organizational citizenship behaviour develops as a result of people's commitment to work toward and contribute to a system of cooperation, which becomes a crucial necessity in an organization (Podsakoff et al., 2000).

Zehir et al. (2012) discovered that organizational citizenship behaviour is impacted by entrepreneurial leadership. According to Rutherford and Holt (2007), the goal of entrepreneurial leadership is to introduce and improve innovative activities. Proactive and innovative behaviour is linked to extra role behaviours (organizational citizenship behaviour) (Podsakoff et al., 2000). The Maharani et al. (2013) study is referenced in the organizational citizenship behaviour link with performance. According to the findings, employees who volunteer, behave well, and become more helpful to the organization will be more responsible, patient, responsive, and proactive, all of which will boost output. When looked at prior research, organizational citizenship behaviour and entrepreneurial leadership are positively related to employee behaviour at work and attitudes toward achieving organizational successful goals. Data suggests that job performance is correlated to workers' trust and belonging in the organization, humanity, job fulfilment, and distributive justice, and employee active participation in the decision-making process (Dirks, Kurt T, 2012). Also, organizational citizenship behaviour in entrepreneurial leadership is strongly linked to the organization's commitment to achieving its goals. organizational citizenship behaviour is built and guaranteed by entrepreneurial leadership that the promises will be kept, that confidential information will be kept secretly and handled with responsibility in order to boost employee trust in the organization and maintain effective knowledge management. Entrepreneurial leadership behaviours remain treasured and consistent in organizational practices so that leaders can deliver and communicate effectively to their workers, which is important not only for individual leaders to build organizational citizenship behaviour, but also for organizations to create moral values within the business (Gillespie, N.A, & Mann, L. 2004). As a result, there is a clear notion that entrepreneurial leadership styles may motivate and energize their employees while also building mutual trust.

The majority of study on organizational citizenship behaviour has mostly concentrated on its antecedents or determinants. Several additional constructs have also been investigated in order to find the antecedents. The study conducted by Smith et al. (1983), identified work satisfaction as the most accurate predictor. Other studies have indicated that personality and work attributes, such as agreeableness, as well as task features and job autonomy, may be associated with organizational citizenship

behaviour (Borman et al., 2001); (Konovsky et al., 1996); (Organ et al., 1995); (Piccolo et al., 2006); (Podsakoff et al., 1996). Organizational citizenship behaviour is influenced by several factors, such as the behaviour of leaders and managers, the attitudes of employees towards their job and the organization, and the perception of justice and fairness. These influences have been studied by various investigators, including Pillai, Schriesheim, and Williams (1999), Podsakoff, MacKenzie, Moorman, and Fetter (1990), Bateman and Organ (1983), Konovsky and Pugh (1994), Organ and Ryan (1995), Moorman (1991), and Niehoff and Moorman (1993). Padsakoff, MacKenzie, Moorman, and Fetter (2009) found that organizational citizenship behaviour has a significant influence on organizational success. They also found that the effect of helpful behaviour on organizational effectiveness is both stronger and more consistent. They conducted additional research that revealed that organizational citizenship behaviour has a substantial impact on the variation in organizational success. However, helping behaviour tends to have more consistent impacts compared to sportsmanship or civic virtue. Extra-role conduct refers to behaviour that goes above the expected role requirements and aims to improve the organization. Organ et al. (2006) and Katz & Kahn (1996) made a distinction between role behaviours, which are activities that align with formal position descriptions, and extra role behaviours, which are actions that go beyond the formal criteria of a work role. Extra-role behaviours are a result of a sense of citizenship towards the company one is employed in. Therefore, the employees engage in specific tasks on behalf of the company to which they are dedicated, even though it is not a statutory need.

Engaging in organizational citizenship behaviours does not go unnoticed or unappreciated by top management in the organization. It also has an impact on both formal and informal evaluations of an employee's performance. Employees are aware of the benefits of being a good corporate citizen and this knowledge affects their evaluations. Workers participate in it willingly and voluntarily, indicating their prosocial attitude (Borman & Motowidlo, 1993; Organ & Ryan, 1995). Turnipseed & Rassuli (2005) found that employees who exhibit organizational citizenship behaviour participates in constructive actions such as participating in further training, assisting colleagues with their work, and taking on additional responsibilities to enhance the overall performance of the firm in maintaining a CA.

This chapter looks at conceptual definitions, descriptions, and the theoretical underpinnings of the research study as well as the body of information that has been written about the topic. The definitions of the variables from the literature reviewed in the present study are therefore summarized in Table 1.

# Table 1.

# Variable Definitions with the authors

Variable	Definition	Author
Entrepreneurial Leadership	Identifying and guiding group members'	Surie and Ashley(2008)
	performance toward the accomplishment	
	of corporate objectives that entail spotting	
	and seizing entrepreneurial opportunities	
	is the essence of <b>entrepreneurial</b>	
	leadership.	
Competitive Advantage	<b>Competitive Advantage</b> is the favorable position an organization seeks in order to be more profitable than its rivals. It refers to factors that allow a company to produce goods or services better or more cheaply than its rivals.	Chen, 2007, Huang et al., 2014, Koryak et al., 2015
Innovative Behaviour	<b>Innovative Behaviour</b> is identified as "the intentional creation, introduction and application of new ideas within a work role, group or organization, in order to benefit role performance, the group, or the organization".	R.F. Kleysen, C.T. Street (2001)
Organizational Citizenship Behaviour	<b>Organizational Citizenship Behaviour</b> is that extra role behaviour of the employees that they start exhibiting when they develop a close association with their organization of work.	Organ (1988)

# Related Research about Entrepreneurial Leadership, Innovative and Organizational Citizenship Behaviours and Competitive Advantage

The significance of entrepreneurship has grown during the last two decades. Kuratko (2007) states that the global economy has experienced significant economic growth over the last decade by actively encouraging and improving entrepreneurial activities. According to Timmons (1999), entrepreneurship and innovators have been accountable for producing 95% of new income. Entrepreneurship refers to the process in which individuals identify and exploit new opportunities by creating and offering products or services for sale in the market (Schaper, M et al., 2013).

According to Northouse (1997), leadership exists within the framework of engagement between leaders and followers. Entrepreneurial leadership is an increasingly common leadership style that characterizes a leader as someone who possesses both the necessary skills and strategies to fulfil the demands of the present market situation and achieve a competitive advantage over competing companies (Imran, R.; Aldaas, R.E., 2020). Entrepreneurial leadership focuses on proactive aspects, such as intellectual capital, of their workers.

Entrepreneurial leadership cultivates a positive environment within the company by providing employees with autonomy, so enhancing their self-motivation and stimulating them to actively pursue and capitalize on new opportunities. Entrepreneurial leadership fosters the innovative aptitude of team members to discover and develop novel ideas (Huang, S et al., 2014) by allowing them independence. This autonomy also aids in meeting other requirements, hence enhancing employees' proactive behaviour.

Entrepreneurial leadership combines elements of both entrepreneurial management and leadership orientation. Entrepreneurial leadership skills help firms maintain their competitive advantage (Musa, S.; Fontana, A., 2014). In order to enhance operational efficiency and improve service quality, innovation plays a crucial role (Binnawas, Khalifa, & Bhaumik, 2020). Consequently, investigators have increasingly focused on the impact that different elements of innovation have on the success of companies (Alkhateri et al., 2019). Omri (2015) conducted a study that investigated how managers' innovative behaviour affects the competitive advantage of SMEs in several sectors of the Tunisian economy. A study conducted by Chatzoglou and Chatzoudes (2018) in Greece's manufacturing industry revealed that innovation has a positive influence on competitive advantage. Zehir et al. (2012) discovered that

entrepreneurial leadership has a significant impact on organizational citizenship behaviour. Rutherford and Holt (2007) state that the objective of entrepreneurial leadership is to initiate and enhance innovative and organizational citizenship behaviours. Innovative behaviour has been found to be associated with engaging in extra-role behaviours, also known as organizational citizenship behaviours (Podsakoff et al., 2000). The study conducted by Maharani et al. (2013) is cited in relation to the connection between organizational citizenship behaviour and competitive advantage.

#### **Theoretical Foundation of the Study**

This study employs the following theories; self-determination theory, the social cognitive theory, resource-based view theory to investigate the correlation between the entrepreneurial leadership and competitive advantage.

## Self-determination Theory

Corporate agility in the modern company setting depends on proactive behaviour. Theoretical frameworks that support the theory of this research, like selfdetermination theory (Deci, E.L.; Ryan, R.M., 1985), empower leaders to develop a guiding philosophy for increasing organizational performance through "proactive employee behaviours and hence create a competitive advantage (Lumpkin, A.; Achen, R.M., 2018). Self-determination theory (SDT) holds that entrepreneurs are respectable role models for establishing an atmosphere that stimulates intrinsic motivation (Zuraik, A.; Kelly, L., 2019). Entrepreneurial leaders foster an atmosphere where morally right behaviour, values, attitudes, and thoughts are implied by autonomous motivation. They also have the ability to change employees' opinions of practices, policies, and procedures that promote a positive work environment and will go above and beyond to reduce uncertainty in the workplace.

Self-determination theory's claims are used by entrepreneurial leadership to show how providing employees autonomy boosts their competency and enhances their willingness to seek out and seize opportunities. Entrepreneurial leadership fosters a supportive environment among team members and a secondary relationship between a leader and their subordinate. The employees' proactive work behaviour has increased as a result of all these initiatives.

#### Social Cognitive Theory

According to Newman et al. (2018), Bandura's social cognitive theory (1986) explains why entrepreneurial leadership is beneficial for creative self-efficacy and innovation. Both this paper and one by Newman et al. (2018) use Bandura's social cognitive theory (SCT) (1986) to explain how followers might adopt leader behaviours like taking risks.

This theory is based on the ideas of observation and reinforcement, placing greater emphasis on the subject's interactions with others as well as their own mental processes. According to the social cognitive theory, children learn via imitation and observation from a variety of models, including parents, teachers, friends, and even fictional heroes. The only prerequisite for learning may be the ability to observe others or act as an example of how to behave in a particular way. By interfering with cognitive processes, imitation and observation assist the observer in determining whether or not to emulate the seen behaviour. The ability to reflect and use symbols, together with the ability to avoid negative outcomes through comparison, generalization, and selfevaluation, are cognitive factors. One of the goals of the social cognitive theory is the development of self-evaluation and self-reinforcement constructs. According to Bandura's theory, individuals possess an auto-system that allows them to assess their own degree of control over their own thoughts, feelings, impulses, and behaviour. Through self-regulation activities, this system empowers people with aptitude to take control of their own thoughts and behaviours, changing their surroundings in the process.

The correlation between entrepreneurial leadership and competitive advantage is examined in this study using social cognitive theory to examine how innovative behaviour on the part of employees mediate. Employees' innovative behaviour has been shown to be greatly influenced by entrepreneurial leadership because of their intellectual agility and the innovative climate they establish. These results enable leaders to recognize the critical responsibilities they play in fostering the ideal culture and environment for innovation within their organizations. It also gives leaders the ability to create creative settings to encourage employees to confidently share ideas and concepts. There includes a discussion of the findings, their implications, their limitations, and possible avenues for further investigation.

The social cognitive theory provides a framework for understanding, predicting, and altering human behaviour. A person's beliefs, actions, and ideas,

according to social cognitive theory, have an impact on how they interact with behaviour. An additional common component of the correlation between an individual and their environment is the production and transformation of human ideas and cognitive capacities by environmental structures and societal influences. The final relationship is that of environment and behaviour, wherein a person's actions affect the features of their environment, which then affects the person's conduct (Bandura, 2005).

Thanks to motivational mechanisms that have been discovered as critical pathways linking leaders to innovative behaviour in the workplace, help to examine the innovative culture and intellectual agility of employees (Hughes et al., 2018). Many research studies (Bagheri et al., 2022; Newman et al., 2020) have empirically looked at a variety of outcomes in the past to find out how entrepreneurial leadership affects employees' outcomes by using the social cognitive theory, such as social cognitive theory work behaviour.

#### **Resource-Based View Theory**

This study employed a combination of an entrepreneurial approach and the resource-based view to elucidate why organizations adopt an entrepreneurial approach while making decisions in marketplaces. According to the resource-based view, certain businesses have continuously utilized their resources and capabilities to establish lasting competitive advantages (Barney, 1986; Prahalad and Hamel, 1990). According to the resource-based view, the majority of strategic leaders hold the belief that the competitive advantage of a business may be maintained by *investing in its workforce* and *social capital* (Kogut and Zander, 1992; Polanyi, 1996). Therefore, managers focus on entrepreneurial leadership and innovative behaviour to achieve a competitive advantage for manufacturing companies.

The innovative behaviour of employees is greatly stimulated by entrepreneurial leaders, and their attitudes have a good impact on the ability of employees to accept and carry out innovative initiatives (Bos-Nehles, et al., 2017). To demonstrate the relationship between resource-based view and entrepreneurial leadership, the four resource-based view traits—valuable, rareness, and substitutability—and entrepreneurial leaders' critical thinking, accountability, interpersonal skills, and transparency are used. These intangible resources help firms achieve sustainability, maximization, and a competitive advantage (Fazal, S.A., 2018). When crafting policies for regional economic growth, local governments may find this research useful

in supporting the manufacturing sector by fostering innovation and establishing longterm enterprises.

#### **Theoretical Framework**

## The Impact of Entrepreneurial leadership on Competitive Advantage

It is worthwhile to look into and analyse the state of the literature on entrepreneurial leadership in the field of business management. Because it is one of the most important factors influencing how well a corporation performs. Therefore, in order to maximize their competitive advantage and enhance their overall performance, managers and leaders of businesses, particularly SMEs, must adopt entrepreneurial leadership methods in the present dynamic and competitive business environment (Esmer, Y.; Faruk., 2017). Put differently, in order to improve their performance, leaders and managers in business organizations must possess entrepreneurial leadership qualities and lead by experience (Okudan, G.E.; Rzasa, S.E., 2006). This suggests that traditional management methods are ineffective for" managing and competing in the current competitive economic climate. Risk-takers with a knack for grabbing business possibilities are essential for managers (Esmer, Y.; Faruk., 2017).

Today's dynamic and competitive corporate climate makes entrepreneurial leadership more effective at optimizing organizational performance. It works better than traditional management (Paudel, S., 2019). Entrepreneurial leadership improves employee creativity and organizational innovation, which boosts business success, according to many academics (Renko, M.; El Tarabishy, A.; Carsrud, A.L.; Brännback, M., 2013; Gupta, V.; MacMillan, I.C.; Surie, G., 2004; Ranjan, S., 2018; Huang, S.; Ding, D.; Chen, Z., 2014). Entrepreneurial leadership increases employee motivation and voluntary activities, which increases job-embeddedness and decreases turnover (Yang, J.; Pu, B.; Guan, Z., 2019).

In summary, the ability of entrepreneurial leadership to help businesses achieve their objectives is a key indicator of its significance. By increasing worker productivity and overall business performance, managers and leaders in companies with entrepreneurial leadership qualities grant to the achievement of the company. According to Esmer (2017), entrepreneurial leaders should combine their qualities as a leader and an entrepreneur. The manager or leader should possess both a clear vision and goals, as well as the ability to influence staff members. The manager or leader should be risk-takers and able to identify and capitalize on business opportunities in order to exhibit entrepreneurial traits. Moreover, two other traits of entrepreneurial leaders are their ability to innovate and flexibility. Meanwhile, to compete in the modern corporate environment, company managers need more than just leadership or entrepreneurial qualities (Esmer, Y.; Faruk, D., 2017).

Stated otherwise, managers need more than just leadership or entrepreneurial traits to fulfil the objectives and plans for the growth and sustainability of their organizations. Competing managers, on the other hand, ought to possess both leadership and entrepreneurial qualities in order to succeed and innovate by taking chances, seizing opportunities, and innovating. Moreover, investigators (Leitch, C.M.; Harrison, R.T., 2018) asserted that the worldwide entrepreneurial revolution is having a greater influence than the industrial revolution. Furthermore, Leitch (2017) believes that in the contemporary global economy, entrepreneurial leadership is essential. The idea of entrepreneurial leadership began to take shape as a result. Large companies are not the only ones that can benefit from entrepreneurial leadership in terms of a company's sustainable development. Nonetheless, it is essential to the sustained growth of startups and small businesses. As a result, it has been demonstrated to positively affect these firms' aim to reduce turnover (Yang, J.; Pu, B.; Guan, Z., 2019). It is therefore worthwhile to explore the literature on the connection between entrepreneurial leadership and the sustainability of businesses.

One of the secrets to entrepreneurial success is competitive advantage, or a firm's competitive advantage capacity to outperform its rivals (Porter, 1985). In order to improve entrepreneurial outcomes, competitive advantage is linked to organizational policies that support cost reduction, market opportunity exploitation, and competitive threat neutralization (Newbert, 2008). Firms need experience-based adaptation to establish a competitive advantage in highly dynamic environments where it is difficult to predict the type of impending competition and market conditions (Schilke, 2014). Furthermore, enterprises must be particularly flexible when it comes to whether to get into marketplace or make decisions in reaction to the present market environment (Sher and Lee, 2004). With the market changing quickly and unsustainable competitive advantages being present, the entrepreneurial resource is a great way to explain how a firm can achieve significant success trajectories, especially in the IT sector. As to Covin and Lumpkin (2011), certain firms fail while others succeed.

When completing the entrepreneurial leadership components, for instance, Ireland and Hitt (2005) highlighted how a firm could use its entrepreneurial leader ship activities as sources of competitive advantage. Additionally, competitive advantage can be maintained when entrepreneurial leadership is used in organizations where the capacity to grow skills is evident. The resource-based view holds that a number of organizations have consistently taken advantage of their resources and capabilities to forge long-term competitive advantages (Barney, 1986; Prahalad and Hamel, 1990). According to the resource-based view, most strategic leaders believe that a firm's competitive advantage may be sustained by investing in its people and social capital (Polanyi, 1996). Thus, the past literature gives the idea that there exists a connection between entrepreneurial leadership and competitive advantage. Yet, prior studies have not confirmed a direct connection, which now needs to be comprehensively validated.

The influence of leadership on the development and encouragement of innovative employees across multiple industries is critical (Ismail & Mydin, 2019). The influence of supportive leadership styles on innovative behaviour in the information and communication sector (Dogru, 2018), public sector (Ali & Buang, 2016), and the manufacturing industry (Chen et al., 2015) has been the subject of research in Europe and Asia. Leadership that capitalizes on innovation is essential to success in the manufacturing industry (Heckler, 2017). A study conducted in Ghana by Opoku, Choi, and Kang (2019) in Africa proposed that manufacturing sector leaders should implement leadership styles and policies that foster innovative behaviours among workers. Additionally, the study suggested that additional research be undertaken to examine the effects of different leadership styles on each phase of innovative behaviour; idea creation, idea promotion, and idea realization in particular. In Kenya's manufacturing sector, organizations are facing mounting pressure to enhance their level of innovation as a mean to sustain competitiveness" and optimize sector performance (Wakiaga, 2019). Hence, the primary objective of this research was to ascertain the impact of entrepreneurial leadership style on the propensity for innovation exhibited by employees operating within the manufacturing industry in North Cyprus.

Superior quality resources are necessary for the firms to maintain their competitive advantages, such as the innovative leadership role. Entrepreneurial leadership is frequently linked to this leadership (Lim, S., and Trimi, S., 2014). A proactive entrepreneurial leader will undoubtedly have an impact on competitive

advantage for the firms when they optimize risk, innovate to seize opportunities, accept personal responsibility, and manage environmental changes. This leadership style is very suitable for basically the businesses in manufacturing sector, because it can look for new breakthroughs, so they can face increasingly competitive challenges (Wakiaga, 2019). The complexity of these contacts, of course, leadership ideas and the behaviour of leaders who are always creative are needed. Various research results show that entrepreneurial leadership has a role in competitiveness (Luciani, M. et al., 2018). Using this notion, it is hypothesized as follows:

**Hypothesis** (H1): Entrepreneurial leadership is positively related with competitive advantage.

#### The Impact of Entrepreneurial Leadership on Innovative Behaviour

This study aims to fill a research gap in the literature by specifically examining the role of innovation climate that is enacted by entrepreneurial leaders by developing a research model through the lens of social cognitive theory. This theory responds to investigators' demands for a clarification of how entrepreneurial leaders affect employees' innovative behaviour. Additionally, the formation and alteration of human thoughts and cognitive abilities by environmental structures and societal factors is a common aspect of the link between an individual and their environment. A human's behaviour influencing the features of their environment, which in turn influences their behaviour, constitutes the final interaction between the environment and behaviour (Bandura, 2005). Numerous research has already used the social cognitive theory to empirically examine a variety of outcomes, including innovative work behaviour, in order to find the impact of entrepreneurial leadership on workers' outcomes. Because it suggests that the entrepreneurial leadership has a crucial role as an external factor to foster innovation in the workplace, this study has thereby extended earlier research.

According to Park et al. (2014), entrepreneurial leadership has emerged as a unique kind of leadership for economic growth. Innovative organizations frequently need entrepreneurial leaders who can efficiently manage resources and motivate followers' creativity through their vision. Renko et al. (2015) have recognized entrepreneurial leadership as a leadership style that consists of the qualities needed to inspire and guide group members in identifying and seizing entrepreneurial opportunities to achieve organizational objectives. According to Gupta et al. (2004), entrepreneurial leaders have two responsibilities: stimulating their followers to be extremely innovative and acting as role models for them. Hence, the leaders of any organization play a prominent role in developing and influencing the business environment that leads to positive behavioural patterns. Entrepreneurial leaders foster an environment that is conducive to innovation, which inspires and enables their subordinates to think creatively and come up with solutions to problems (Mehmood et al., 2019).

Using the social cognitive theory as a framework, this study investigates the notion that a leader must create an atmosphere that motivates all staff members to engage in creative endeavours and produce and apply new ideas (Bandura, 2014). Li et al.'s (2020) investigation discovered a positive association between entrepreneurial leadership and the creative atmosphere of a company. They contend that an entrepreneurial leader fosters an atmosphere where people are inspired to think outside the box, come up with fresh concepts, and solve problems. Additionally, businesses may intentionally influence their workers' innovative behaviour by creating a culture that encourages them to take risks and try new things without worrying about failing. Entrepreneurial leadership creates a welcoming environment to inspire creativity among its workforce. According to Reise and Waller (2009), the leaders of a firm have a critical role in creating and shaping the company's atmosphere, which in turn promotes positive behaviour. Moreover, an innovative work environment fosters the growth of employees' innovative skills, which in turn fosters creativity inside the organization (Waheed et al., 2019).

Furthermore, prior to making behavioural decisions, individuals should utilize and learn from the knowledge found in their work environment, according to one of the social cognitive theories in persons. According to Javed et al. (2019), entrepreneurial leaders foster a favourable business environment that incentivizes their subordinates to be inventive and generate novel and imaginative solutions to business challenges. In addition to challenging the status quo and coming up with original concepts and solutions, entrepreneurial leaders also promote risk-taking and foster an innovative atmosphere. Even though they are ultimately in charge of fostering an innovative culture within the firm, leaders' skills, expertise, enthusiasm for innovation, and mental acuity frequently stimulate innovative behaviour. According to Kang et al. (2016), for example, team innovation climate enhanced employees' propensity for invention, and the association between proactive (risk-taking) culture and innovative climate grew stronger. Magni et al. (2018) showed that a culture of team innovation encouraged taking chances and being proactive, which enhanced creativity. Shaw et al. (2012) reported that there exists a positive correlation between staff competency and two aspects of the team atmosphere, namely participatory safety and vision. The employees' intellectual agility has a strong correlation with their innovative behaviour, which is influenced by their assessment of the corporate innovation climate (Park & Jo, 2017; Ren & Zhang, 2015).

It is claimed that entrepreneurial leadership is essential for developing and boosting employees' innovative behaviour in a cutthroat workplace. Miao et al. (2018), Renko et al. (2015), Gupta et al. (2004), Newman et al. (2018), and others have all stressed the significance of entrepreneurial leadership as a research approach of leaders who are people-oriented. Afsar & Masood (2018) state that environmental innovative behaviour is a motivational and cognitive process that seeks to propose, develop, and apply innovative ideas (Scott & Bruce, 1994) in order to offer special and beneficial answers to difficult situations that are intricate and ill-defined. Furthermore, research already in the field shows how leaders affect workers' attitudes and knowledge, especially when it comes to creative individual acts (Cai et al., 2019; Khaola & Coldwell, 2018). Thus, leaders serve as both an important authority and a source of innovative behaviour for their workforce (Yukl, 2013). Therefore, the nature of the relationship between a leader and their employees has an impact on the creation and execution of creative ideas. Entrepreneurial leaders create a warm, supportive work atmosphere that motivates all staff members to view innovation as one of their main responsibilities and to be resilient in the face of the challenges that come with doing so (Karol, 2015). Bagheri (2017) asserts that entrepreneurial leadership significantly influences the promotion of creative employee behaviour. According to Bagheri & Akbari (2018), entrepreneurial leadership significantly influences how well nurses improve their innovative behaviour in the healthcare industry". Newman et al. (2018) state that leaders that apply the entrepreneurial leadership method to task performance.

An entrepreneur can efficiently guide innovation efforts by promoting their staff members' creation and application of original ideas. This entrepreneurial leader suggests that, via the lens of social cognitive theory (Bandura, 1988), entrepreneurial leaders empower and encourage their staff members to see and take advantage of possibilities for personal growth and to behave in an entrepreneurial manner. This concept was employed in the current study to describe entrepreneurial leadership as a strategy in which leaders serve as role models by modelling entrepreneurial conduct themselves in addition to encouraging and supporting entrepreneurial behaviour in their subordinates.

Employee creativity has been cited as a key factor in the survival, competitiveness, and steady expansion of high-tech companies as well as the growth of economies in particular that are transitioning, such as Iran (Bagheri, 2017). Scholars have given a variety of definitions for the concept of innovative work behaviour, which is still evolving. West and Farr (1989) define creative work behaviour as employee activities directed at the production, presentation, or usage of ideas, methods, products, or techniques that are novel to the relevant unit of adoption and that significantly benefit the unit as well as the organization. Advocates of the definition include De Spiegelaere et al. (2014) and Akram et al. (2017). Innovative work behaviour is defined by Scott and Bruce (1994) as an employee's ability to generate and implement novel and valuable ideas while at work. According to Saeed et al. (2018), innovative work behaviour is the initiation and intentional introduction (within a work role, group, or organization) of novel and useful ideas concerning products, services, and work methods, as well as set of behaviours needed to develop, launch, and implement these ideas, which is fundamental for organizational innovation and is considered as a continued competitive advantage for different organizations.

Focusing on each person's capacity for innovation, Janssen (2000) described innovative work behaviour as the proactive advancement, introduction, and use of new ideas throughout a work role, group, or organization in order to benefit role performance, the group, or the organization. The ability of employees to come up with and apply fresh, practical ideas at work is a crucial component of organizational innovation and a long-term competitive advantage, according to Newman et al. (2018). innovative behaviour was emphasized by Zhou and Hoever (2014) as being crucial for a business's revival, expansion, and sustainability.

According to earlier research, leaders are crucial in fostering an environment that fosters creativity among individuals and teams inside the company as well as in inspiring and empowering innovation (Kang et al., 2015; Fontana and Musa, 2017). According to Bagheri et al. (2013), entrepreneurial leadership is the capacity of leaders to create a compelling vision for the company and to motivate and inspire staff to work hard to achieve the vision. According to Gupta et al. (2004), entrepreneurial leadership

is a distinct leadership style that is necessary to overcome obstacles and hurdles at various stages of organizational development. Through a variety of difficult periods of the organization's development, this leadership style enables leaders to efficiently manage their group and address problems (Chen, 2007; Lydon and Swiercz, 2002). Additionally, leaders' perception of fresh chances to improve the performance of the organization is greatly influenced by their leadership style (Pihie et al., 2014). The characteristics and definition of entrepreneurial leadership, however, continue to be hotly contested (Bagheri, 2017; Leitch and Volery, 2017; Rangwala, 2018). According to a number of studies (Lydon and Swiercz, 2002; Freeman and Siegfried, 2015), entrepreneurial leadership is an effective set of ideas and practices that stimulate and foster innovation in the highly competitive, turbulent, and uncertain business climate that SMEs are currently facing. Research has shown that how people engage with others at work has a significant impact on their innovative behaviour (Zhou and Shalley, 2003; Anderson et al., 2004). Accordingly, leaders are a major influence on innovative behaviour and a source of power (Yukl, 2013).

Consequently, entrepreneurial leadership and innovative behaviour's innovation and implementation of new ideas are connected to the nature of the relationships and exchanges between the employees and their boss (De Jong and Den Hartog, 2007). Entrepreneurial leaders create a culture that is empowering and encouraging, where all staff members are motivated to view innovation as one of their primary responsibilities and to persevere through the challenges that come with pursuing innovation (Karol, 2015). In a study on 34 high technology SMEs in Iran, Bagheri (2017) investigated the role that entrepreneurial leadership plays in motivating employees to engage in creative work practices. Within the framework of healthcare institutions, Bagheri and Akbari (2018) also affirmed the noteworthy influence of entrepreneurial leadership on encouraging creative work practices among nurses. According to Newman et al. (2018), managers who use entrepreneurial leadership concepts to their task performances greatly foster innovative work practices among their staff members. The following hypothesis is put out by this study based on these theoretical underpinnings:

**H2:** Entrepreneurial leadership is positively related to the innovative behaviour.

# The Impact of Entrepreneurial Leadership on Organizational Citizenship Behaviour

The self-determination theory provides a highly productive theoretical perspective for understanding how organizational citizenship behaviour is influenced. According to Ryan (2000), self-determination theory predicts a succession of self-directed and measured enthusiasm, with multiple initial routes of actions and outcomes. At one end of this continuum lies intrinsic motivation, which involves engaging in self-interested and productive behaviour. Extrinsic motivation refers to the initiation and persistence of behaviour based on the anticipation of external rewards, such as incentives. Within the spectrum between these two extremes, the motive that is detected, absorbed, and introjected, and is perceived as autonomous rather than peripheral, is not inherently intrinsic. organizational citizenship behaviour requires autonomy and competency (Parker, S.K.; Bindl, U.K.; Strauss, K., 2010). The experience of being in a state of flow, which is induced by engaging in stimulating activities, can lead to the desire to engage in organizational citizenship behaviours.

Entrepreneurship is assumed as the process, brought by individuals, of identifying new opportunities and converting them into marketable products or services (Schaper, M. et al., 2013). According to Northouse (1997), leadership is a process that exists in the context of interactions between leaders and followers; it can be seen in the behaviours of leaders and taught entrepreneurial leadership, which describes a leader as a combination of competence and approach to fulfil the demands of the present market environment and obtain an advantage over competing organizations, is becoming a more well-known leadership practice (Imran, R.; Aldaas, R.E., 2020).

Proactive factors like organizational citizenship behaviour of workforce are a focus for entrepreneurial business leaders. They have the ability to explore and exploit opportunities to bring about more significant changes than other leadership styles. By giving employees autonomy, which increases their motivation to take initiative and investigate and take advantage of opportunities, entrepreneurial leadership fosters a positive work environment. Further, entrepreneurial leadership provides autonomy to its team members, fostering their creativity in identifying and utilizing new ideas (Huang, Ding, Chen, & Chen, 2014). This fulfils other demands and raises employees' organizational citizenship behaviour. Entrepreneurial leadership blends the concepts

of leadership orientation and entrepreneurial management. Some entrepreneurial leadership skills help companies maintain their competitive advantage, Fontana, A. and Musa, S. (2014).

By granting autonomy and fostering a supportive environment that encourages advanced organizational citizenship behaviour, entrepreneurial leadership fosters autonomous motivation. According to Chen, M.H., 2007; Fernald, L.; Solomon, G.; Tarabishy, A., 2005, entrepreneurial leadership fosters autonomous motivation. Entrepreneurial leadership develops the capacity to investigate and utilize superior performance by stimulating organizational citizenship behaviour. A developing area of study in the literature on workplace behaviour is organizational citizenship behaviour (Spiess, T.; Zehrer, A., 2020). According to Parker, Bindl, and Strauss (2010), organizational citizenship behaviour includes taking the initiative at work, implementing changes, and driving action to achieve goals. Taking the initiative to change the status quo and create new ones, as well as questioning the current situation rather than merely reacting to the current situation, is what is known as organizational citizenship behaviour (Crant, J.M., 2000). organizational citizenship behaviour is a strategic self-organization with the forward-thinking goal of revolutionizing one's working environment and self.

By focusing mainly on self-determination theory, this study puts forth and develop contemporary conceptions of how proactivity is initiated, stimulated, and progressed, thus bringing about the change. To provide light on how proactivity is triggered, self-determination theory provides an extraordinarily speculative focal point. In order to increase the likelihood that organizational citizenship behaviour will result in positive change for both individuals and associations, we suggest the implementation of autonomous regulation and the development of a unique framework that addresses the positive upward spiral of autonomously directed activity. Based on the ideas of self-determination theory, entrepreneurial leadership gives workers more autonomy, which boosts their competency and motivates them to seek out and seize chances on their own. Entrepreneurial leadership fosters a supportive environment among team members and a secondary relationship between a leader and their subordinate. The employees' organizational citizenship behaviours rise as a result of all these initiatives.

Through social influence, an individual can motivate a group to work toward a common goal through the process of entrepreneurial leadership (Salman, Shabbir, &

Hafeez, 2011). After compiling all of the various definitions of entrepreneurial leadership, it is determined that the term pertains to the process of motivating subordinates to strive for a single objective. Employee behaviour is directly impacted by entrepreneurial leadership, and employee behaviour is linked to organizational effectiveness (Suliman & Obaidli, 2013). An essential component of a company that has a bigger influence on how employees behave toward organizational goals like organizational citizenship behaviour is entrepreneurial leadership. Employees that exhibit extra role behaviour can be directed by a manager who understands the value of organizational citizenship behaviour (Salman & Shabbir, 2011). The organizational citizenship behaviour of employees is positively impacted by entrepreneurial leadership styles. Entrepreneurial leadership behaviour can positively and significantly influence employees' organizational citizenship behaviour (Rodrigues & Ferreira, 2015).

Zehir et al. (2012) discovered that organizational citizenship behaviour is impacted by entrepreneurial leadership. According to Rutherford and Holt (2007), the goal of entrepreneurial leadership is to establish and improve creative activities. Innovative and proactive behaviour is linked to organizational citizenship behaviours (Podsakoff et al., 2000). According to the findings, employees who volunteer, behave well, and become more helpful to the organization will be more responsible, patient, responsive, and proactive, all of which will boost output. On the basis of these theoretical foundations, this study proposes the following hypothesis:

**H3:** Entrepreneurial Leadership is positively related to the organizational citizenship behaviour.

## The Impact of Innovative Behaviour on Competitive Advantage

In the increasingly complicated and quickly changing world, innovation has been acknowledged as a key enabler for businesses to create value and maintain competitive advantage (Alareefi et al., 2019; Mohamed et al., 2019). According to Alsaadi et al. (2019), innovation has the ability to create new intangible assets for a company in addition to maximizing the use of currently available resources, increasing efficiency, and unlocking potential value. Businesses that are more innovative will be more effective in meeting the needs of their clients and creating new skills that enable them to operate more profitably or perform better (Mohamed et al., 2018). According to Binnawas, Khalifa, and Bhaumik (2020), innovation is essential to improving service quality and operating efficiency. As a result, researchers have been focusing more and more on how different components of innovation affect the success of businesses (Liao et al., 2010; Alkhateri et al., 2019).

Time-based competition has become a major concern for modern organizations, and as a consequence, an increasing number of companies are trying to introduce new products, services, or processes even faster after realizing that their competitors' quick responses to the development of new products posed a serious threat to their business (Alsaadi, et al., 2019; Hossain, Khalifa and Abu Horaira, 2019; Widjaja, Khalifa and Abuelhassan, 2020). Robinson (1990) showed that companies emphasizing innovation speed could grow their market shares across a wide range of industries. A company can create market segments based on service quality and operational efficiency when it develops, produces, or sells new products more quickly than its rivals. This is because the knowledge that these innovations contain is not easily accessible to rivals (Liao et al., 2010; Abdulla et al., 2019; Binnawas, Khalifa and Bhaumik, 2020). Thus, innovation speed ensures faster reactions to the environment through the introduction of new goods at a lower time and cost, which ultimately enhances the performance of the company (Khalifa, 2019; Almatrooshi et al., 2020). Quality of innovation is another important component that affects how well a company performs. Adopting a lot of innovative methods, procedures, or products in parallel with a wide range of organizational activities is a sign of high-quality innovation. Businesses must establish synergies between these various activity domains. These kinds of synergies ought to be developed in a unique way that promotes innovation and increases competition. More innovative research and development would be more successful in achieving firm performance than less innovative research and development, and organizations would profit from an increase in ideas (Liao et al., 2010). Few studies have specifically examined the effects that employee innovation-based pay (innovative behaviour) has on the operational success of the firm, despite the fact that the links between innovation and firm performance have been studied.

New ideas, products, devices, or novelty are examples of innovation. In order to compete and differentiate itself in the market, a company uses a multi-stage process to turn ideas into new products, services, or processes. Another approach to define innovation is the commercial use of knowledge toward novel goals or new MNs of achieving competitive advantage (Roper and Love, 2017). New knowledge applied to the production process is called innovation. By exchanging knowledge, experts can develop new products and services or enhance already-existing ones. The creation of new products and services or the enhancement of already-existing ones is made possible by knowledge, which fosters innovation and sustains competitive advantage (Śliwa and Patalas-Maliszewska, 2016; Castaneda and Cuellar, 2020). innovative behaviour is described as "the intentional introduction and application within a role, group, or organization of ideas, processes, products, or procedures" by West and Farr (1990). innovative behaviour involves coming up with creative ideas and having firms adopt them (Purc and Lagun, 2019). innovative behaviour is also the sum of all human activities that result in the creation, analysis, and application of fresh concepts that have the potential to enhance existing practices. These include innovative services and technologies, and updated workplace policies and procedures designed to boost business performance and efficacy.

The resource-based view explains the correlation between innovative work behaviour and competitive advantage. According to Teece et al. (1997), Penrose (1959) and Andrews (1971)'s work can be connected to the development of resourcebased view in the 1960s. But Barney (1991) made clearer how capabilities, resources, and sustainable competitive advantage are related. The resource-based view focuses on a company's use of resources and capabilities to get to a higher performance level and a position of sustained competitive advantage. A firm is a collection of unique resources and competencies that the management must utilize to the fullest extent possible, according to the resource-based view. According to the resource-based view, a company's ability to succeed over the long run is determined by how well it uses its diverse range of skills and resources in the ever-changing marketplace. Furthermore, a resource needs to be unique, scarce, precious, and non-substitutable in order to support sustainable competitive advantage (Barney, 1991). According to Bos-Nehles et al. (2016), innovative work behaviour on the part of employees or managers entails the creation and use of fresh concepts for goods, technology, and working procedures that have a big impact on the performance of the company. A pro-innovation mindset among managers has a beneficial impact on the adoption and execution of innovative initiatives. Managers have a significant role in encouraging people to operate in an innovative manner. Omri (2015) examines the impact of managers' innovative behaviour on a company's competitive advantage in a study that focuses on SMEs across various economic sectors in Tunisia. The results show a strong positive

correlation between competitive advantage and innovative work practices. Superior performance is the result of managers that exhibit innovative work behaviours that promote innovation in the workplace, new product and technology development, and introduction. In a study on Greek manufacturing companies, Chatzoglou and Chatzoudes (2018) discovered that innovation has a beneficial impact on competitive advantage. When a company's competitors are unable to offer the same goods and services, innovative work practices result in the development and launch of new products and services that offer greater value to the company's clients. Innovative work practices enhance company procedures, cut costs and delivery times, and facilitate the introduction of fresh approaches to combat unfavourable work environments. Innovative work practices enable a company to create goods and services with unique competitive advantages in terms of functionality. As a result, the company is able to draw in new clients, hold on to its current clientele, establish itself as the industry leader, and get competitive advantage (Lee and Yoo, 2019). Thus, the following theory is put forth:

H4: Innovative behaviour is positively related to the competitive advantage.

## The Impact of Organizational Citizenship Behaviour on Competitive Advantage

The ability to differentiate and relate to relevant markets, as well as having a variety of talents that are acquired through unique relationships at both the intra- and interorganizational levels, are what provide a company a competitive edge (Goossen, 2014). This focuses on the way that a company's competitive advantage is directly impacted by organizational citizenship behaviour, which is a result of interaction and intercorrelation. This is because these connection systems and intercorrelation networks are hard to replicate, which makes them more resilient to weakening due to competition (Taamneh, 2015).

The primary cause of competitive advantage is the way that organizations now manage their attitudes and behaviours. Each association is distinguished from many others by the constellation of abilities, capabilities, and motivations possessed by its members or constituents. In order to gain an advantage, managers must possess the ability to leverage these unique characteristics when designing tasks, assembling teams, structuring work, and facilitating change (Wagner & Hollenbeck, 2014).

Competitive advantage deduces a widespread efficiency from a particular market statistic or parameter. The company has an advantage over rival companies thanks to its superior execution, or competitive advantage, which can be interpreted as a positive performance difference (Ranjhan & Mallick, 2018). Sustainability is one of the perspectives on competitive advantage that should be given careful thought (Porter, 1985). When a company modifies a procedure that can produce recognition and isn't carried out simultaneously by a competitor, either current or potential, it creates a permanent competitive advantage. After it is established, competitive advantage is vulnerable to rivalry depletion, which is mostly caused by competing companies' reputations. For example, information and other tools are needed to shape cordons to imitate in order to sustain the competitive advantage over time and make it realistic (Grant, 1996). The development of a few barriers that prevent impersonation is necessary for a generic strategy to last, requiring the organization to continuously invest in strengthening its position (Porter, 1985).

The fundamental resource that is constantly evolving and changing is social capital, or intellectual capital that is obtained from the human capital that an association gives. Consequently, it has been discovered that businesses favor their competitive ties and inter-organizational alliances or intercorrelations as a preferred method of producing competitive advantage (Cygler & Sroka, 2014). Apart from that, even though the process of identifying links has substantially advanced, there are still challenges in improving the competitive advantage of these links (Othman et al., 2015), which can be impacted by a number of factors. Because it is a unique way for enterprises to exchange resources and work together, the competitive advantage that can be obtained through the networking technique is not repeatable and is essentially the result of interorganizational cooperation.

The competitive advantage depends on a variety of abilities, many of which are acquired via the special relationships that exist between and within organizations. These relationships must be distinct and tied to pertinent markets (Goossen, 2014). This focuses on how a company's competitive advantage is significantly impacted by social capital, or organizational citizenship behaviour, which is a result of interaction and intercorrelation. This is because this interaction and relational networks are hard to replicate, which makes them more resilient to eroding due to competition (Taamneh, 2015). One of the main causes of competitive advantage in current organizations is the management of organizational behaviour or attitudes. Each association's individuals or members have a unique set of talents, capacities, and drive that sets them apart from many other businesses. In order to benefit, managers should be able to leverage these individual variations in the way that roles are developed, teams are assembled, work is arranged, and change is enabled (Wagner & Hollenbeck, 2014).

Furthermore, organizational citizenship behaviour has been identified as a component at the individual level that has a favourable correlation with an organization's social capacity to implement an effective organizational plan and attain competitive advantage. In the hospitality sector, organizational citizenship behaviour offers a better setting for staff members to support one another outside of their assigned responsibilities. Danaei and Iranbakhsh (2016) found that assisting behaviour linked to organizational citizenship behaviour affects innovative behaviour at work. Management of organisational behaviour or attitudes in existing organisations is a fundamental source of competitive advantage. Each association's members or individuals possess a unique set of qualities, motives, and skills that set them apart from many other businesses. When duties are allocated, groups are assembled, work is organized, and innovation is encouraged, managers must be able to capitalize on these individual distinctions in order to gain a competitive advantage (Wagner & Hollenbeck, 2014). The term organizational citizenship behaviour was first used by Chester Bernard in the 1930s. Voluntarism, or the act of an employee performing specific behaviours for organizational goals without feeling compelled to do so or expecting payment, is the cornerstone of organizational citizenship behaviour. There is no need for punishment for these behaviours to be absent. These behaviours are beyond the employees' expected duties, roles and responsibilities. According to Karaman and Aylan (2012), all of these behaviours improve the social and psychological environment of the organization and lessen conflict. organizational citizenship behaviours have two ways to present themselves.

According to Memduholu and Yilmaz (2013), the first is active engagement in the organizational structure, and the second is avoidance of any behaviour that could endanger the organization. The leaders' support is the primary driving force for organizational citizenship behaviour activities. The organizational commitment of employees is expected to rise under supportive leaders (Ertürk, 2014). Conscientiousness, sportsmanship, civic virtue (behaviours geared toward the organizational citizenship behaviour. Beyond the minimum responsibilities expected of an employee, conscientiousness expresses the behaviours. Sportsmanship is defined as the avoidance of complaining, especially in uncomfortable conditions, and the willingness to work in a good environment (Tokgöz & Seymen, 2013). Employees in this dimension prefer to overlook negative aspects of the organization and don't overstate minor issues. (Çimeci & Çetinkaya). According to Bitmiş, Sökmen, and Turgut (2014), civic virtue is associated with actively participating in organizational decisions and accepting responsibility even when it isn't requested. According to Erdogan and Bedük (2013), altruism is defined as the voluntary behaviours that help others perform better. According to Oztürk and Ozata (2019), courtesy may be defined as the responsible behaviours among employees. It has been noted that organizational citizenship behaviour has a good effect on employee performance (Koys, 2001; Podsakoff & MacKenzie, 1994), a connection to innovativeness (Ozsahin & Sudak, 2015), and a general positive impact on the organization. Strong leadership behaviours are essential for increasing the organizational citizenship behaviour in an organization. In the literature there are many researches indicating the importance of leaders of the impact to organizational citizenship behaviour. Investigators have highlighted the effects of various leadership characteristics on organizational citizenship behaviour which led to competitive advantage of organizations. Consequently, it is hypothesized that:

**H5:** Organizational citizenship behaviour is positively related to the competitive advantage.

# Innovative Employee Behaviour's Mediating Role between Entrepreneurial Leadership and Competitive Advantage

Entrepreneurial leaders are people who actively foster innovation, seek for new opportunities, and possess specific knowledge and abilities. In a 2017 study, Huang et al. examined how entrepreneurial leadership affected organizational creativity. Gupta et al. (2004) developed an entrepreneurial leadership paradigm that considers the organizational as well as personal barriers that these leaders face. It suggests that entrepreneurial leaders are able to produce unique and innovative goals for their company thanks to their unique skills and competencies. Functional capabilities allow people to significantly influence and motivate their team members, which encourages the creation of innovative techniques (Leitch, C.M.; McMullan, C.; Harrison, R.T., 2013). These leaders boost their teams' confidence and commitment to putting these innovations into practice while also encouraging them to come up with unique ideas. Compared to creativity, innovation encompasses more since it involves not only the

generation of novel concepts but also their effective application. innovative behaviour is the term used to describe the initiatives that people take in their work, teams, or organizations to develop and implement fresh and innovative concepts, procedures, goods, or practical methods. innovative behaviour encompasses the identification of advantageous opportunities, the creation of novel strategies for taking advantage of them, and the formation of alliances to efficiently advocate for and execute innovations. By employing a multi-dimensional approach, one can effectively assess the existence and influence of innovative behaviour within a workplace environment, thereby enhancing overall performance.

By fostering a vision, fostering an optimistic mindset, and encouraging staff to generate ideas and experiment with various problem-solving techniques, entrepreneurial leaders foster creativity within organizations. They foster an environment that encourages engagement in taking on new challenges, creating a perfect setting for creativity (Karol, R.A., 2015). Entrepreneurial leaders tend to have higher faith, be more willing to embark on hazardous ventures, and be more inclined to experiment (Maczulskij, T.; Viinikainen, J., 2023). They encourage team invention by exhibiting innovative behaviour and establishing an optimal work atmosphere for creativity (Avolio, B.J.; Koh, W.; Bhatia, P., 2004). Research has repeatedly demonstrated a robust correlation between entrepreneurial leadership and innovation. Utoyo et al. (2020) assert that having excellent entrepreneurial abilities might make followers feel brave and enthusiastic. The relationship between entrepreneurial leadership and innovation performance is subsequently impacted and innovative ideas are encouraged at work. Malibari et al. (2022) found a strong association between entrepreneurial leadership and employee innovative behaviour. The presence of an innovation-friendly environment and the intellectual agility of the employees impacted this correlation. Additional investigation is required to understand the fundamental factors that influence entrepreneurial leadership and employee innovation behaviour. Establishing competitive advantages, encouraging innovation, taking chances, organizing procedures and staff to meet fundamental principles like these, and enhancing the skills of entrepreneurs are all achieved through the tactical plan known as entrepreneurial leadership, Gupta, V. (2004).

It combines the fields of entrepreneurship and leadership, directing employees towards challenging targets. This study analyzed the mediation effect of innovative behaviour between the entrepreneurial leadership and competitive advantage. The values and viewpoints of the leadership team have a substantial impact on the firm's strategy. The studies of Cogliser and Brigham (2004), Vecchio (2003), and Wales (2011), provide empirical evidence that emphasizes the significance of entrepreneurial leadership in attaining substantial results in entrepreneurial enterprises. Adapting leadership approaches to the changing corporate landscape is of greatest significance, as demonstrated by various studies such as those conducted by Gupta et al., (2004), Kuratko, (2007), and Surie and Ashley, (2008). These studies highlight the significant correlation between entrepreneurial success and a leader's capacity to inspire followers towards creative and innovative thinking and behaviour. Research undertaken by Li et al. (2020) and Yu et al. (2013) has demonstrated that creating an environment that encourages innovation and promotes a willingness to embrace new ideas can lead to a boost in creative thinking among employees. Recent research by Akbari et al. (2021) and Bagheri et al. (2020) highlights the increasing acknowledgement of the need to include employees in creative behaviour to foster a culture of continuous innovation. Recent studies have predominantly focused on transformational leadership (Akbari et al.

include employees in creative behaviour to foster a culture of continuous innovation. Recent studies have predominantly focused on transformational leadership (Akbari et al., 2021). However, there has been a notable increase in the investigation of other leadership styles such as real, ethical, and entrepreneurial leadership (Javed et al., 2017; Wang et al., 2019)". These studies emphasize how important it is for leaders to help their staff members see and seize chances for entrepreneurship. This is crucial for the organization's general achievement and for obtaining a competitive advantage, especially in creative job contexts. The following is the hypothesis this study puts forth:

**H6:** Innovative behaviour acts as a mediator in the relationship between competitive advantage and entrepreneurial leadership.

# Organizational Citizenship Behaviour's Mediating Role between Entrepreneurial Leadership and Competitive Advantage

Proactivity is a proactive and forward-thinking approach that aims to bring about a revolution in both personal and professional environments. This study, primarily focusing on self-determination theory, outlines and develops contemporary understandings of how proactivity initiates, inspires, and progresses, effectively fostering change. Self-determination theory provides a very speculative central focus that makes clear how proactivity is generated. This study presents an original framework that addresses the advantageous spiral of independently directed proactivity and proposes that autonomous regulation increases the possibility that proactivity will result in beneficial developments for both individuals and organizations. Based on the ideas of self-determination theory, entrepreneurial leadership gives workers more autonomy, which boosts their competency and motivates them to seek out and seize chances on their own. Entrepreneurial leadership promotes an auxiliary relationship between the leader and subordinate and fosters pleasant interactions among the team members. Employee proactivity at work is increased by all of these initiatives.

According to Rutherford and Holt (2007), the goal of entrepreneurial leadership is to establish and improve creative activities. Podsakoff et al. (2000) link innovative and proactive behaviour to organizational citizenship behaviours. Employees who volunteer, behave well, and become more helpful to the organization will be more responsible, patient, responsive, and proactive, all of which will boost output, according to the findings. Zehir et al. (2012) found that entrepreneurial leadership has an impact on organizational citizenship behaviour. A company gains a competitive advantage by its ability to differentiate and relate to relevant markets, and by acquiring a variety of talents through unique correlations at both the intra- and interorganizational levels (Goossen, 2014). This highlights the direct impact of social capital, or organizational citizenship behaviour, resulting from interaction and interrelationships, on a company's competitive advantage. This is because these connection systems and interrelationship networks are difficult to replicate, which makes them more resilient to weakening due to competition (Taamneh, 2015).

One of the main causes of competitive advantage is the management of corporate conduct or attitudes in already-existing organizations. Each association's members or individuals possess a unique set of qualities, motives, and skills that set them apart from many other businesses. Managers need to leverage these individual differences when designing jobs, creating teams, organizing work, and facilitating change (Wagner & Hollenbeck, 2014). Moreover, studies have recognized organizational citizenship behaviour as an individual-level factor that positively correlates with an organization's ability to achieve a successful organizational strategy and competitive advantage in society. Strong leadership behaviours are essential for increasing the organizational citizenship behaviour in an organization. In the literature, there are many studies indicating the importance of leaders and their impact on

organizational citizenship behaviour. Investigators have highlighted the effects of various leadership characteristics on organizational citizenship behaviour.

Employees that are happy with their leadership, according to Robbins (2006), will help colleagues, perform above expectations, and talk positively of the company. Furthermore, satisfied employees comply with duty call more readily since they want to repeat their positive experiences. The positive outlook on work, helping subordinates, and other attributes of entrepreneurial leaders have produced confidence in the organization's vision, which has positively impacted businesses' performance by creating competitive advantage (Podsakoff et al. 2000; Robbins, 2006; Rutherford & Holt, 2007; Supriyanto et al., 2018). Chandra and Mathur (2018) found that female entrepreneurs exhibit a high degree of achievement and boost organization's competitive advantage which helped them succeed in a variety of challenging fields, such as expanding lines of business, technological advances, new organizational patterns, the design of innovative products and services, and the development of innovative partnership models. This study makes the following hypothesis based on these theoretical underpinnings:

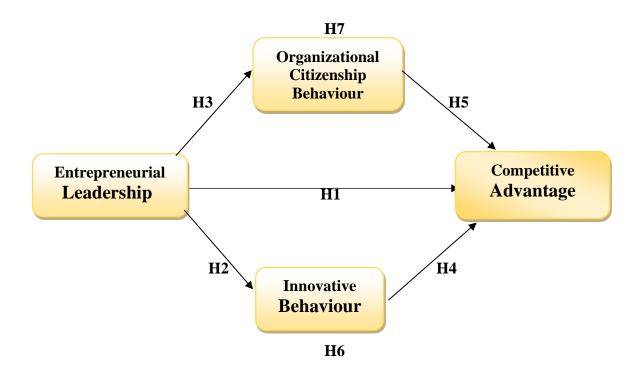
**H7:** Competitive advantage and entrepreneurial leadership are highly mediated by organizational citizenship behaviour.

## **Research Model**

This study applies the self-determination theory, the social cognitive theory and resource-based view theory" and suggests that there is a significant association between *entrepreneurial leadership* and *competitive advantage*. The conceptual framework for this study is presented in figure 1.

# Figure 1

Conceptual Framework



# CHAPTER III Methodology

## Introduction

Information regarding the research design, methodology, participants, sample, measurements, and data collection techniques are covered in this chapter. This section contains a full description of the research procedures that were followed. This comprises the study's design, sample methodology, target population, and data gathering procedures. This section has gone over the methodological choices and research strategy of this thesis, as well as the sample size selection and sampling procedure techniques, and the method of analysis.

## **Research Objectives**

Using the perspectives of resource-based view, self-determination, and social cognitive theories, the main goal of this study was to quantify the relationship between entrepreneurial leadership and competitive advantage as it was mediated by employees' innovative and organizational citizenship behaviours. To investigate the mechanisms by which innovative behaviour (IB) and organizational citizenship behaviour (OCB) function as mediators and to provide innovative perspectives on the complex organizational processes that maintain the connection between entrepreneurial leadership (EL) and competitive advantage (CA).

## **Research Strategy**

Whereas qualitative research analyses subjective descriptions and hypotheses, quantitative research is an objective technique that employs numerical data to determine the viability of a theory. Well-defined data collection goals are a sign of a good research strategy, which also takes ethical access and field challenges into account. Because they may yield objective results and accommodate huge sample numbers, surveys are a popular, flexible, and affordable approach for doing quantitative research. This thesis examines empirical studies and numerical measures using a quantitative research methodology.

#### **Research Design**

This study uses a descriptive quantitative research design to examine the relationship between entrepreneurial leadership and competitive advantage. Descriptive research involves observing demographics and analyzing data through observations, surveys, or case studies. Surveys, both online and offline, provide a quick way to gather large amounts of data. Quantitative research is used to gather actionable insights and test variables, with competitive advantage as the dependent variable and entrepreneurial leadership as the independent variable.

#### **Participants and Sample Procedure**

A cross-sectional survey study was conducted on 9965 workers in North Cyprus manufacturing companies, using a sample size of 460 full-time employees. The study ensured a 95.0% confidence level by distributing 460 questionnaires to full-time workers in the manufacturing sector. Convenience sampling was employed to select participants based on their accessibility to the researcher. After excluding insufficient replies, the final sample had 440 valid replies, or a 98% percentage of responses. Convenience sampling is the most used non-probability sampling technique, allowing researchers to gather a variety of opinions and perspectives without the need for further research. This technique can be applied in business studies to gather initial unprocessed data on specific topics, such as consumer perception of a brand or input on a new product design. Hence, the study used convenience sampling by stopping random people on the street and asking them questions on a questionnaire.

## Measures

With the help of questionnaires, researchers can gather information from a wide-ranging, heterogeneous group of people in a particular demographic for their study. They can be mailed or given to participants, allowing them to fill out and return later. This quantitative study used a structured questionnaire for data analysis, consisting of the sections; demographic information, Entrepreneurial Leadership Scale, Innovative Behaviour Scale, Organizational Citizenship Behaviour Scale, and Competitive Advantage Scale. The questionnaire was designed to be mailed or given to participants. The Entrepreneurial Leadership Scale, which consists of eight items on a Likert scale from 1 (strongly disagree) to 5 (strongly agree), was taken from Renko, M., El Tarabishy, A., Carsrud, A.L., and Brännback, M. (2015) in order to measure

entrepreneurial leadership, hence, 8 items were used to measure entrepreneurial leadership. The Innovative Behaviour Scale, which consists of 10 items on a Likert scale from 1 (strongly disagree) to 5 (strongly agree), was taken from De Jong, J., and Den Hartog, D. (2010) to measure innovative behaviour. The Organizational Citizenship Behaviour Scale, which consists of 10 items was taken from Zeb, Jan & Gul, Asiya (2016) in order to measure OCB. The Competitive Advantage Scale, which consists of 5 items on a Likert scale from 1 (strongly disagree) to 5 (strongly agree), was taken from Zeb, J., and Gul, A. (2016) in order to measure competitive advantage.

## Reliability

The fit of the data for analysis was evaluated by the study using SPSS version 26. As part of the data curation procedure, missing data, outliers, normality, linearity, multicollinearity, and homoscedasticity were all examined. One kind of parametric analysis that involves making assumptions about the data is regression. In order to do regression analysis (RA) successfully, certain assumptions must be validated. The linear correlation between the independent and dependent variables, the lack of multicollinearity, the independence of the assessments, the homoscedasticity of the errors, and the normally distributed errors are among the presumptions for regression analysis. This study met these assumptions.

The first presumption was that a linear correlation would characterize the relationship between the independent and dependent variables. In order to prove that the predictors are not highly correlated, the data had to be free of multicollinearity, which was the second premise. The requirement for the residual values to be independent and show autocorrelation was the third premise. The fourth, or homoscedasticity, assumption stated that the quantity of residual variance had to remain constant. The requirement for the residual values to be normally distributed was the fifth premise.

Internal consistency tests the correlation between multiple items in a test, ensuring that all components reflect the same thing. Reliability analysis is used to determine the qualities of measuring scales and items, with Cronbach's alpha being a coefficient of reliability. The purpose of the exploratory factor analysis was to check for dimensionality. The values of Cronbach's alpha, a reliability coefficient, are shown in Tables 3 and 4 individually for each variable. Tables 3 and 4 show that every variable is deemed dependable.

## Table 3.

Variables	Cronbach's α	
EL	0.877	
IB	0.809	
CA	0.789	

Reliability of variables with IB

EL, Entrepreneurial Leadership, IB, Innovative Behaviour, CA, Competitive Advantage, accepted level for Cronbach's  $\alpha$  is 0,7 or 0,6 for Griethuijsen et al., 2014.

#### Table 4.

Reliability of variables with OCB

Variables	Cronbach's
v arrables	α
EL	0.795
OCB	0.897
CA	0.774

EL, Entrepreneurial Leadership, OCB, Organizational Citizenship Behaviour, CA, Competitive Advantage, accepted level for Cronbach's  $\alpha$  is 0,7 or 0,6 for Griethuijsen et al., 2014.

#### **Data Collection**

The study drew from primary and secondary sources using various data collecting techniques. The information was compiled over the months May 2023 through July 2023. With a total of 33 questions, a structured questionnaire is based on a Likert scale and responses are categorized on a five-point Likert scale as (1= strongly satisfied to 5= strongly dissatisfied) utilized for the gathering of main data. The questionnaire had several factors meant to gauge how the EL, innovative behaviour, and OCB affected the competitive advantage. Participants are asked to supply their names and personal information—confidential material. Articles pulled from theses pertinent to this research and journals provide secondary data.

SPSS version 26 and AMOS version 24 are employed to analyze the data. In an effort to ascertain the validity, reliability, and correlation of constructs, tests are implemented. Cross-sectional data were collected using standardized methodologies over a three-month period. The sample procedure employed was convenience sampling, and a cross-sectional survey study was conducted. Under consideration is the population of 9965 employees employed in manufacturing enterprises in North Cyprus. A 95.0% confidence level were achieved by selecting 460 full-time employees out of 9965 employees as the unit of analysis (Amankwaa, A.; Gyensare, M.A.; Susomrith, P. 2019). 460 survey questionnaires were conveniently distributed to full-time employees in the manufacturing sector, each containing a hyperlink to the electronic survey.

#### Demographic Profile of the Study

To present a summary of the collected data, the information provided by the respondents is condensed using basic descriptive statistics like frequencies and percentages. Table 2 presents the frequency and percentage of responses based on the respondents' demographic profile in the study sample. Table 2 presents the essential demographic data, indicating that the sample consisted of a higher proportion of males (55.4%) compared to females (44.5%). 2.5% of the respondents were aged 18 to 24, while 14.77% were aged 25 to 30. The majority of the responses (62.5%) fell between the ages of 30 and 50. On the other hand, 18.18% were aged 50 to 60, and 2.1% were above 60 years old. While 6.8% of the sample's participants recently finished high school, the majority of participants have successfully earned either a bachelor's or master's degree (90.9%) or a Ph.D. degree (2.2%). Out of the participants, 30.9% held managerial positions, 62.7% were senior workers, and 6.3% were entry-level employees. 12.9% of the participants had less than 1 year of experience in their current organization, 44.5% had 1-4 years of experience, 38.4% had 5-10 years of experience, and 4.1% had 10 or more years of experience. 6.3% of the participants had less than 1 year of experience in the industry, 17.1% had 1-4 years of experience, 45.45% had 5-10 years of experience, and 32.9% had 10 or more years of experience in the area.

# Table 2.

		Frequencies (N = 440)	Valid Percentage (%)
"Gender	Male	243	55.4
	Female	193	44.5
	"Prefer not to say"	4	1,1
Age	18-24	11	2,5
	25-30	65	14.77
	30-40	125	28,4
	40-50	150	34,1
	50-60	80	18,18
	60+	9	2,1
Education Level	High School	30	6,8
	Bachelor's Degree	275	62,5
	Master's Degree	125	28,4
	PhD	10	2,2
Job level	Manager	136	30,9
	Senior worker	276	62,7
	Entry level	28	6,3
Years of Experience	Up to 1 year	57	12,9
in present organization	1-4 years	196	44,5
	5-10 years	169	38,4
	10 or more years	18	4,1
Years of Experience	Up to 1 year	20	6,3
in sector	1-4 years	75	17,1
	5-10 years	200	45,45
	10 or more years	145	32,9"

# Demographic Profile of Participants

Source: Survey results, 2023.

# CHAPTER IV Results and Findings

#### Introduction

The findings of the data analysis are summarized in this section. Descriptive statistics, correlation analysis, factor analysis, hypothesis testing results, and data analysis findings were discussed in this chapter. The data curation was conducted in the preceding chapter to identify any potential lacking data, prior to the data analysis.

#### **Data Analysis**

The data analysis in this study was conducted using IBM SPSS Statistics 26 and IBM SPSS AMOS 24, which are statistical software packages designed for the examination of moment structures. This study used factor analysis as a technique for condensing a large number of constructs into a reduced number of elements. This method converts the greatest common variance of all constructs into a single score. The descriptive statistics have been used to introduce the results of the analysis of the construct's effect, entrepreneurial leadership. Additionally, a correlation analysis was conducted to assess the extent of correlation between constructs. The direct effect (DE), indirect effect (IDE), total effect (TE), and mediation effect of the constructs were assessed through regression analysis using the statistical application of SPSS Process macro, as recommended by Hayes (2013).

#### **Exploratory Factor Analysis**

Spearman (1904) introduced exploratory factor analysis (EFA), which quickly became a common method for theory evaluation and assessing tool validation (Haig, 2014). Construct-indicator variable links allow for meaningful theory testing and a clear translation of conceptual ideas onto observed events (Edwards and Bagozzi, 2000). EFA is used to assess item effectiveness, determine factors expressed in a group of items, and gauge the internal reliability of a measure.

An analysis of a measure's internal reliability may be done statistically using EFA. It is applied to both evaluate the quality of individual items and explore the factors that a group of items may represent. When using EFA, investigators often look at the results of a principal component analysis to determine how many factors to include.

Researchers used confirmatory factor analysis (CFA) with Analysis of Moment of Structure (AMOS 24) to evaluate the validity of the constructed variables and exploratory factor analysis (EFA) to evaluate sample adequacy. Lastly, researchers investigated the hypotheses using the "SPSS Process Macro Version 3.1 described by Hayes & Rockwood (2017) to determine the direct, indirect, and mediating impacts of the factors."

The Kaiser-Meyer-Olkin (KMO) Test is a measure of how suited your data is for factor analysis. "The test measures sampling adequacy for each factor in the model and for the complete model. The statistic is a measure of the proportion of variance among constructs that might be common variance. The lower the proportion, the more suited your data is to factor analysis. Bartlett's test of sphericity tests the hypothesis that the correlation matrix is an identity matrix, which would indicate that the constructs are unrelated and therefore unsuitable for structure detection. Small values (less than 0.05) of the significance level indicate that a factor analysis may be useful with the data.

At first, an exploratory factor analysis has been used to test how the constructs load on the factors with *Kaiser-Meyer-Olkin* Test (KMO) which was 0.887 for the analysis conducted with the mediator innovative behaviour, and 0,845 with the mediator OCB. Bartlett's test of sphericity is a test used to verify that factor analysis can actually compress the data in a meaningful way which was significant (p < 0.05) in this study". KMO was greater than 0.5 indicated the outcome, indicating that the sample size was adequate. The determinants, 1,639e-8 and 2,880e-6, which were not equal to zero, are shown in Tables 5 and 6. These results demonstrate that the assumption of positive definiteness was not broken.

## Table 5.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Meas	sure of Sampling Adequacy.	0,887
Bartlett's Test of Sphericity	Sig.	0,000

Results of KMO and Bartlett's Tests with mediator IB

Note:Kaiser-Meyer-Olkin(KMO)

## Table 6.

Results of KMO and Bartlett's Tests with mediator OCB

	KMO and Bartlett's Test	
Kaiser-Meyer-Olkin N	Measure of Sampling Adequacy.	0,845
Bartlett's Test of Sphericity		
	Sig.	0,000

Note:Kaiser-Meyer-Olkin(KMO)

The links among the factors and the variables are shown in the factor correlation matrix. The factor correlation matrix with mediator IB in Table 7 demonstrated that discriminant validity had been satisfied because the findings were less than 0.70. The factor correlation matrix with mediator OCB in Table 8 demonstrated that discriminant validity was fulfilled as the findings were less than 0.70.

Table 7.Factor Correlation Matrix with IB

Factor	EL	IB	CA
EL	1	0,46	0,441
IB	0,46	1	
CA	0,441		1

EL, Entrepreneurial Leadership, IB, Innovative Behaviour, CA, Competitive Advantage

Table 8.	
Factor Correlation	Matrix with OCB

Factor	EL	OCB	CA
EL	1	0,339	0,353
OCB	0,339	1	0,45
CA	0,353	0,45	1

EL, Entrepreneurial Leadership, OCB, Organizational Citizenship Behaviour, CA, Competitive Advantage

#### **Common Method Bias**

Campbell and Fiske (1959) are credited with introducing common method bias (CMB) after they realized that their study's methodology may have contributed to some of the variance. According to Podsakoff and Organ (1986), CMB arises when estimations of the associations between two or more constructs are skewed as a result of using the same measuring technique. One of the key factors contribute to method bias is that raters can use the same response trends throughout evaluations. The reasons for this could be attributed to the respondent's dispositional mood states, social desirability tendencies, or propensity for mild, moderate, or excessive submission or response (Podsakoff et al., 2012; Spector, 2006). According to Edwards (2008), CMB can result from a variety of factors, including similarity in the design or wording of survey items that elicit similar responses from respondents, similarity in the timing, medium, or place in which measurement data are gathered, and the closeness of items in an instrument.

Common method variance (CMV) can be used to illustrate relationships when data comes from a single source. A common and easy-to-use statistical method for identifying CMV is the Harman's single-factor test. By using this method, researchers can determine how many components with eigenvalues larger than 1 explain the total variance by introducing all of the scale items into an exploratory factorial analysis and looking at the unrotated factor solution. The majority of the variation was examined to see if one broad component could be explained by Harman's single-factor test. For this reason, it was employed to confirm CMV's presence. This test is predicated on the notion that, assuming method variance allows for factor covariation, factor analysis ought to pinpoint a single factor that most closely matches the data.

In the early stages of analysis, this study looked into CMB to determine the degree to which the participants' responses on the instrument reflect their true

tendencies. This study's CMB test result was 0.4 (<0.5), meaning that the data did not contain any CMB. Factor, correlation, and regression analyses were carried out using SPSS in order to evaluate the hypotheses and ascertain the relative link between the variables under investigation. To verify the hypothesis, the direct and indirect impacts of the mediating effects have been assessed using the bootstrapping tool Process Macro. This paper reported on the use of a confirmatory factor analysis (CFA) to ascertain the validity and reliability of each item. It also provided a structural equation modeling figure and evaluated the quality of fit.

## Confirmatory Factor Analysis

Confirmatory factor analysis (CFA), also known as multivariate way of analyzing how well variables under study interact with the number of constructs, is a statistical approach used to validate the factor structure of observed data. Being a part of the structural equation modeling (SEM) family, it helps researchers bridge the gap between theory and observation by making it easier to test the premise that there is a relationship between observable constructs and their latent constructs.

CFA is a well-known method for assessing construct validity since it splits the entire amount of observable constructs into latent components based on empirical similarities. It reduces measurement errors and makes it easier to compare alternatively stated a priori models at the latent factor level. CFA is another statistical tool that can be used to compare the structure of factors of two or more constructs.

The characteristics of a particular data collection are summarized with the aid of descriptive statistics like Mean (MN) and standard deviation (SD). A statistical method for establishing the existence and strength of a relationship between two datasets is correlation analysis.

CFA was conducted to measure construct validity in AMOS 24, which is the degree to which implications may be made validly from the constructs in the study to the theoretical constructs on which those constructs were based. Construct validity testing is rarely carried out among students but is often done to test the validity of the criteria.

CFA is a commonly used method to assess construct validity, helping investigators reduce the total amount of observed constructs into latent components by looking for data commonalities. It helps reduce measurement error and allows for comparison of alternative a priori models at the latent factor level. Both composite reliability (CR) and average variance extracted (AVE) were evaluated in order to calculate the constructs' reliability and convergent validity. According to Hair, Black, Babin, and Anderson (2014), AVE and CR must both be greater than 0.50 in order to meet the requirements of convergent validity and reliability, respectively. The scales satisfy the validity requirements listed in Table 9 and are reliable.

Table 9.

Factor loading=sq root of CR, Error Variance=1-CR			
	EL	IB	CA
AVE	0,571	0,583	0,576
CR	0,768	0,786	0,803
Factor Loading	0,837	0,961	0,898
Error Variance	0,175	0,213	0,190

EL, Entrepreneurial Leadership, IB, Innovative Behaviour, CA, Competitive Advantage

The validity criteria listed in Table 10 are met by the scales, indicating their reliability. The outcomes demonstrated the fit of the "structural models".

#### Table 10.

Scale Items, Reliability, and Validity Measures with OCB

	Factor loading=sq root of CR, Error Variance=1-CR			
		EL	OCB	CA
AVE		0,542	0,566	0,589
CR		0,783	0,897	0,819
Factor Loading		0,867	0,880	0,897
Error Variance		0,211	0,172	0,162

EL, Entrepreneurial Leadership, OCB, Organizational Citizenship Behaviour, CA, Competitive Advantage

According to the findings, "the questionnaire was convergent and discriminantly valid, as indicated by the average variance (AVE) that was extracted for each factor and the value that ranged from 0.542 to 0.589, which was higher than 0.5 (Hair et al. 2014)." In structural equation modeling, the indices of the chi-square

MN/degree of freedom (CMIN/df), the Tucker-Lewis index (TLI), the comparative fit index (CFI), the root MN square error (RMSEA), and the standardized root MN square residual (SRMR) are used to evaluate the model's goodness of fit. As per Hu & Bentler (1999) & Hair et al. (2014), a well-fitting model ought to exhibit a Root MN Square Residual (RMR) of less than 0.08, an RMSEA of less than 0.06, and a CFI and TLI more than 0.90.

The model demonstrated an adequate fit to the data, according to the fit indicators' results. The "Goodness of Fit Index, GFI=0,980, CMIN/df = 1,335, p < p0.05, CFI = 0.978, TLI = 0.963, RMSEA = 0.046, demonstrated a satisfactory model fit for the CFA model with mediator IB. Consequently, the model as a whole was deemed fit. However, the CFA model demonstrated an excellent fit for the mediator OCB (as indicated by the Goodness of Fit Index, GFI=0,920, CMIN/df = 2,123, p < p0.05, CFI = 0.923, TLI = 0.913, RMSEA = 0.057)", leading to the acceptance of the model as a whole. The model demonstrated an adequate fit to the data, according to the results of these fit markers. The concept of "minimum discrepancy per degree of freedom" (CMIN/DF) states that a hypothetical model and sample data should fit together quite well if CMIN/DF < 3 (Kline, 1998) and < 5 (Hocevar, 1985). The minimum discrepancy was less than five (chi-square/df). Consequently, it was determined that the parsimonious model fit was suitable. The NFI, CFI, TLI, and Goodness of Fit Index (GFI) were all met and deemed satisfactory. Moreover, it was discovered that the RMSEA was less than 0.06. Consequently, the model as a whole was deemed fit.

Table 11 below displays the findings for each index (along with mediator IB);

•	
CMIN/DF	1,335
NFI	0,902
TLI	0,963
CFI	0,978
RMSEA	0,046

Table 11.The Goodness of Fit Indices

CMIN, chi-square minimum, df, degree of freedom, CMIN/df, chi-square minimum/degree of freedom, Goodness of Fit Index(GFI), CFI, comparative fit index; NFI, normative fit index, TLI, Tucker–Lewis index, RMSEA, root MN square error of approximation

Table 12 below displays the findings for each index (along with the mediator OCB);

Table 12. The Goodness of Fit Indices

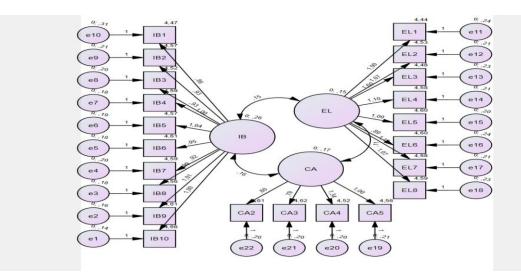
CMIN/DF	2,123
NFI	0,857
TLI	0,913
CFI	0,923
RMSEA	0,057

CMIN, chi-square minimum, df, degree of freedom, CMIN/df, chi-square minimum/degree of freedom, Goodness of Fit Index(GFI), CFI, comparative fit index; NFI, normative fit index, TLI, Tucker–Lewis index, RMSEA, root MN square error of approximation.

Below figure 2 and 3 show the images of SEM performed.

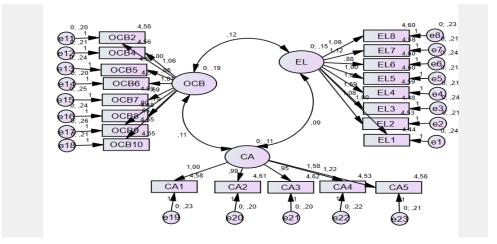
# Figure 2

Structural Model with Mediator IB



# Figure 3

Structural Model with Mediator OCB



# Descriptive Statistics and Correlation Analysis

Descriptive statistics help describe and make sense of a given data set's characteristics by providing short overviews of the sample and measurements. Descriptive statistics that are commonly utilized are mean (MN) and standard deviation (SD). Although the MN denotes the average level recorded in certain data, the SD describes the variation, or distribution, of the data observed in this variable around its MN. Correlation analysis is a statistical method for assessing the existence and strength of a relationship between two variables or datasets. When the average MN EL values are greater than 4, it indicates a highly gratifying scale. The average MN value of IB was 4,23, demonstrating a significant influence of EL and IBs on CA, per the descriptive data shown in Tables 13 and 14. The EL mean values were seen to be high. This showed that employees at El's company had positive attitudes about him. Furthermore, the average score for IB and OCB were 4,23 and 4,20, in that order. This demonstrated how strongly the respondents felt that IB and OCB should display traits and actions suitable for EL. Lastly, CA's MN score was 4,26 and 4,29, respectively, indicating that the mediating and independent variables had a significant impact on CA.

#### Table 13.

Construct	Av MN	Av SD
IB	4,23	0,49
CA	4,29	0,49
EL	4,15	0,65

Descriptive Statistics via IB

EL, Entrepreneurial Leadership, IB, Innovative Behaviour, CA, Competitive Advantage

# Table 14.

Descriptive Statistics via OCB	
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Construct	Av MN	Av SD
OCB	4,20	0,48
CA	4,26	0,49
EL	4,22	0,65

EL, Entrepreneurial Leadership, OCB, Organizational Citizenship Behaviour, CA, Competitive Advantage

According to the study's findings, competitive advantage was high in relation to the entrepreneurial leadership of the organizations. By measuring entrepreneurial leadership, the first item generates recommendations for dramatic improvements to the company's best-selling products and services, with a SD of 0.65. The respondents were unanimous in their assessment that entrepreneurial leadership has a significant tendency to provide the organization with ideas for radical product/service improvements. The findings pertaining to entrepreneurial leadership show that opinions regarding the company's ability to recruit entrepreneurial leadership are highly convergent. These findings suggest that employers have a preference for hiring entrepreneurial leadership. Subsequent investigation revealed that the average MNs score for the mediator innovative behaviour was 4.23. This suggests that the respondents have a strong belief that innovative behaviour should affect entrepreneurial leadership in order to develop competitive advantage. The participants strongly agreed with the influence of entrepreneurial leadership on the competitive advantage, as evidenced by the average MN score of entrepreneurial leadership of 4.15. There was no discernible correlation between the control factors and competitive advantage. Petersitzke (2009) asserts that the values of the model's significant variables may be impacted by insignificant control variables. As a result, the control variables are excluded from the model.

EL is positively correlated with both CA (r = 0, 495, p < 0.05) and IB (r = 0, 568, p < 0.05), as seen in Table 15. Similar positive and substantial relationships were

found between EL and IB and CA. There was a positive correlation between CA and IB (r=0, 579, p < 0.05). Conversely, Table 16 shows a positive association between EL and both OCB (r = 0, 540, p < 0.05) and CA (r = 0, 464, p < 0.05). There was a positive and significant association between OCB and CA and EL. The correlation between CA and OCB was positive (r=0, 382, p < 0.05).

Table 15.

Correlation Coefficients of Variables with IB

No	Variable	1	2	3
1	Entrepreneurial Leadership	1	0,568	0,495
2	Innovative Behaviour	0,568	1	0,579
3	Competitive Advantage	0,495	0,579	1

EL, Entrepreneurial Leadership, IB, Innovative Behaviour, CA, Competitive Advantage

Table 16.

Correlation Coefficients of Variables with OCB					
No	Variable	1	2	3	
1	Entrepreneurial Leadership	1	0,540	0,464	
2	OCB	0,540	1	0,382	
3	Competitive Advantage	0,464	0,382	1	

EL, Entrepreneurial Leadership, OCB, Organizational Citizenship Behaviour, CA, Competitive Advantage

#### Results of Hypothesis Testing via Innovative Behaviour

The Process for SPSS is a modeling tool for logistic regression path analysis and observed variable ordinary least square (OLS). Along with simple slopes and regions of significance for probing interactions, it is widely used in the social, business, and health sciences to estimate direct and indirect effects in single and multiple mediator models (parallel and serial), two- and three-way interactions in moderation models, and conditional indirect effects in moderated mediation models with a single or multiple mediators or moderators. This software was developed by Hayes (2018) so that researchers may look at the correlations between variables that have a moderator or mediator. The SPSS process macro and model 4 were used to test the hypotheses and examine the impacts of total (TE), direct (DE), indirect (IDE), and mediation.

Using a regression-based statistical mediation analysis approach described by Hayes & Rockwood (2017), Table 17 illustrates the impact of entrepreneurial leadership on competitive advantage into direct and indirect causal effects operating through innovative behaviour. Table 17 presents the findings of a regression analysis conducted on entrepreneurial leadership, the competitive advantage predictor. The association between entrepreneurial leadership and competitive advantage was significant. Although there was a significant IDE of innovative behaviour between entrepreneurial leadership on competitive advantage. The mediating role of innovative behaviour between entrepreneurial leadership and competitive advantage was measured using the SPSS Process Macro. The overall effect of entrepreneurial leadership was higher than the mediating effect of innovative behaviour. This proved that the primary model was still superior and that the mediation model was only partially mediated (Thoemmes, 2015).

#### Table 17.

# Causal Effects of EL and IB Predicting CA and Hypotheses Results.

Hypothesis	Regression Paths	Coefficient	P-value	R	<b>R</b> <sup>2</sup>	Hypothesis Acceptance
Hypothesis 1	EL→CA (Direct Effect)	0,2009	0.000	0.7385	0.5453	Accepted
	$EL \rightarrow IB \rightarrow CA(IndirectEffect)$	0,3716	0.000	-	-	
Hypothesis 2	EL→IB (Direct Effect)	0,7302	0.000	0,6697	0,4485	Accepted
Hypothesis 4	$IB \rightarrow CA$ (Direct Effect)	0,5089	0.000	0.7385	0.5453	Accepted
	EL→CA (Total Effect)	0.5725	0.000	0.5965	0.3558	

EL, Entrepreneurial Leadership, IB, Innovative Behaviour, CA, Competitive Advantage

**Direct Effect.** To examine the "impact of total (TE), direct (DE), indirect (IDE), and mediation," SPSS Process Macro with model 4 was utilized. EL and CA had a significant positive correlation as demonstrated by the TE model (0,5725), and the DE model (0, 2009) (Table 17). H1 has therefore been supported.

According to Hypothesis 1 (H1), EL significantly and positively influenced CA directly ( $R^2 = 0, 5453$ ). 54,53% of the variance in CA was explained by EL.

According to Hypothesis 2 (H2), EL significantly and positively affected IB  $(R^2 = 0.4485)$ .

According to Hypothesis 4 (H4), IB significantly and positively influenced CA directly ( $R^2 = 0.5453$ ).

Consequently, all of the hypotheses produced statistically significant outcomes, and they were all accepted. Table 17 provides an overview of the findings of the hypothesis testing. As a result, H1, H2, and H4 have all received support.

**Indirect Effect.** The *process macro* was used to assess the mediation effect of IB. When IB was incorporated in the model, the DE model revealed that the effect of EL on CA decreased from 0, 5725 to 0, 2009 (without changing the significance threshold). This indicated a "partial mediation", which was further confirmed by examining the significance of indirect effects. EL had a significant IDE (mediation effect) on CA (0. 3716) through IB. Consequently, data suggested that IB supported H2 and H4 by partially mediating the effect of EL on CA.

# Results of Hypothesis Testing via Organizational Citizenship Behaviour

Table 18 displays the results of the regression analysis that was done on the CA predictor, EL. Even while EL had a significant DE on CA, EL and CA both had a significant IDE of OCB. The overall effect of EL was higher than the mediating effect of OCB.  $R^2$  values and expected path coefficients are also included in Table 18. The mediated model was found to be partially mediated because it did not outperform the main model.

**Direct Effect.** As shown in Table 18, there was a significant positive correlation between EL and CA in the TE model (0, 5107) and the DE model (0, 1825). H1 has so received support.

According to **Hypothesis 1 (H1),** EL positively and significantly influenced CA directly ( $R^2 = 0, 4755$ ). 47,55% of the variance in CA was explained by EL.

According to **Hypothesis 3 (H3),** EL positively and significantly influenced OCB directly ( $R^2 = 0.3486$ ).

According to **Hypothesis 5 (H5)**, OCB positively and significantly influenced CA directly ( $R^2 = 0, 4795$ ).

Consequently, all of the hypotheses produced statistically significant findings, and they were all accepted. Table 18 provides an overview of the findings of the hypotheses testing. As a result, H1, H3, and H5 are all supported.

**Indirect Effect of OCB.** The "SPSS process macro" was used to assess the mediation impact of OCB. When OCB was added in the model, the DE model revealed that the effect of EL on CA decreased from 0, 5107 to 0, 1825 (without changing the significance threshold). This indicated a "partial mediation", which was further confirmed by examining the significance of indirect effects. EL had a significant IDE (mediation effect) on CA (0. 3281) through OCB. Consequently, data demonstrated that OCB partially mediated the effect of EL on CA, supporting H3 and H5.

# Table 18.

# Causal Effects of EL and OCB Predicting CA and Hypotheses Results.

						Hypothesis
Hypothesis	<b>Regression Paths</b>	Coefficients	<b>P-value</b>	R	$R^2$	Acceptance
Hypothesis1	$EL \rightarrow CA$ (Direct Effect)	0,1825	0.000	0.6925	0.4755	Accepted
	$EL \rightarrow OCB \rightarrow CA(IndirectEffect)$	0,3281	0.000	-	-	
Hypothesis3	EL→OCB (Direct Effect)	0,6975	0.000	0,5985	0,3486	Accepted
Hypothesis5	$OCB \rightarrow CA$ (Direct Effect)	0,4705	0.000	0.6925	0.4795	Accepted
	$EL \rightarrow CA$ (Total Effect)	0.5107	0.000	0.5126	0.2627	

EL, Entrepreneurial Leadership, OCB, Organizational Citizenship Behaviour, CA, Competitive Advantage

The findings demonstrated that the indirect effect of IB (0,3716) on CA is larger than the indirect effect of OCB (0,3281). This indicates that there was a stronger indirect influence on CA due to the higher effect of EL on IB.

#### **CHAPTER V**

#### **Summary of Chapter and Discussion of Findings**

Following the data analysis and interpretation in the preceding chapter, the explanation of the findings is given in this chapter to appropriately address the research questions stated in the first chapter of the thesis.

#### Introduction

This study makes a substantial contribution to the body of literature as well as the ongoing effort to establish novel, empirical methods for producing competitive advantage that improve business firms' sustainable corporate performance.

# Discussion of the Link between Entrepreneurial Leadership and Competitive Advantage via Innovative Behaviour

This study answers the investigator's demand to explain how entrepreneurial leader affects employees' innovative behaviour by using resource-based view theory. Palalic, 2017 found that entrepreneurial leadership has a relationship to firm growth as it creates a competitive advantage and ensuring sustainability. According to this study, the direct effect value of innovative behaviour on the model demonstrated that the mediating effect of innovative behaviour reduced the total effect of entrepreneurial leadership. The resource-based view states that a firm is an assortment of unique resources and capabilities that management must utilize to the fullest extent possible. According to Chatzoglou and Chatzoudes' (2018) research on Greek manufacturing companies, innovation has a positive effect on competitive advantage. A company that practices innovative work behaviour can create goods and services that offer unique competitiveness in terms of both function and quality. This helps the business draw in new clients, hold on to current ones, establish market-leading positions, and get competitive advantage (Lee and Yoo, 2019). This study also provided support for the social cognitive theory, which holds that in order to drive innovation, a leader must foster an environment where every employee is encouraged to use their creative thinking, come up with new ideas, and solve issues in novel ways, bringing competitive advantage to the company. The findings indicated a significant and predictive relationship between entrepreneurial leadership and innovative behaviour, with entrepreneurial leadership being a substantial predictor of innovative behaviour. Additionally, the results showed a statistically significant correlation between innovative behaviour and competitive advantage. The findings of this study have expanded upon the prior research (Bagheri, Akbari and Artang, 2022) in that it proposes that the entrepreneurial leadership has a functional role as an external determinant to support innovation in the workplace.

The findings indicated that entrepreneurial leadership and competitive advantage have a highly positive and predictive association. Additionally, the results showed that entrepreneurial leadership and competitive advantage were mediated through innovative behaviour. The mediation helped to explain why the relationship's strength increased when innovative behaviour was included in the model. By utilizing resource-based view theory, this work adds to a more comprehensive understanding of the link between entrepreneurial leadership and competitive advantage. According to resource-based view theory, the study's findings showed that entrepreneurial leadership had an impact on competitive advantage; however, when innovative behaviour was included to the model, the variance percentage that was explained by both entrepreneurial leadership and innovative behaviour increased. This demonstrated that although managers are in charge of creating a climate that encourages innovation, employees' skills usually play a role in the success of innovation, creating a sustainable competitive advantage.

This study investigates the link between entrepreneurial leadership and competitive advantage, concentrating on the function of innovative behaviour as a mediator, using the resource-based view theory as a framework. A questionnaire survey was used to assess the model's hypotheses, and the study's findings validated them all. The study focuses at theoretical contributions and their practical implications in addition to addressing study limitations and future research directions. The workforce is a company's most valuable asset and is essential to employee management. This study uses process macro regression analysis, and factor analysis to validate hypotheses. Additionally, it emphasizes the significance of entrepreneurial leaders in fostering employees' innovative behaviour, which in turn influences attitudes toward embracing and carrying out creative initiatives (Bos-Nehles, A. et al., 2017). In line with the conclusions of Renko et al. (2015), the study discovered that entrepreneurial leadership had a favourable impact on a company's competitive advantage. An entrepreneurial mindset is essential for success in unpredictable circumstances, as noted by Miles et al. (2000). The importance of having an

entrepreneurial perspective and seeing unpredictable situations as opportunities was highlighted by Kimuli (2011). The introduction of new products can be accomplished more quickly and at a lower cost with the help of effective innovation enabled by entrepreneurial leadership, which in turn improves the performance of the company (Almatrooshi, M.J.A.; Khalifa, G.S.; Ameen, A.; Hossain, M.S.; Morsy, M.A., 2020). According to this study, entrepreneurial leadership has a cumulative impact which is higher than the innovative behaviour-mediated indirect effect between entrepreneurial leadership and competitive advantage. Furthermore, the indirect effect of innovative behaviour is greater than the direct effect of entrepreneurial leadership. The outcomes of this investigation align with the findings of Bagheri and Akbari (2018), who maintained that entrepreneurial leadership is essential in motivating, supporting, and cultivating employees' innovative behaviours. This study added to the corpus of knowledge by examining innovative behaviour's mediating function in the connection between entrepreneurial leadership and competitive advantage. The findings show that in order for subordinates to achieve corporate success through innovation in complex and dynamic work environments and earn a competitive advantage, they need assistance from leaders in identifying and grabbing hold of entrepreneurial possibilities. When leaders fulfil their responsibilities in line with entrepreneurial leadership principles, they not only solve problems and overcome obstacles in an inventive manner, but they also recognize and encourage fresh ideas from staff members and develop methods and plans to promote creativity and opportunity detection. This, in turn, gives employees the confidence and motivation to push themselves and come up with, produce, and execute new ideas (Karol, R.A., 2015). The business benefits from a CA as a result. Effective innovation enables firms to react to environmental changes more quickly, which results in the introduction of new products with less time and lower costs, ultimately increasing the efficiency of the firms (Darvishmotevali, M.; Tajeddini, K.; Altinay, L., 2023). This study's goal was to examine the relationship between entrepreneurial leadership and competitive advantage. This study provides unique evidence that entrepreneurial leaders foster a creative work environment by empowering staff members to become more intellectually flexible, observe problems seek out answers, come up with original ideas, and present solutions. Therefore, this study can be used to suggest future research on entrepreneurial leadership's ethnic decision-making ability in other nations.

# Discussion of the Link between Entrepreneurial Leadership and Competitive Advantage via Organizational Citizenship Behaviour

Positive relationships between team members are fostered by entrepreneurial leadership, which also fosters an auxiliary relationship between a leader and a subordinate. The employees' proactive work behaviour has increased as a result of all these initiatives. Entrepreneurial leadership fosters a positive environment within the company by giving employees the freedom to make their own decisions, which increases their drive to take initiative and explore new prospects. The theory "of selfdetermination provides a rich theoretical perspective that sheds light on the motivation behind proactivity. Based on self-determination theory's claims, entrepreneurial leadership fosters employee competency by granting them autonomy, which in turn fosters their own drive to seek out and seize chances. An auxiliary relationship between a leader and their subordinate is encouraged by entrepreneurial leadership, which also fosters strong relationships among team members. The employees' proactive work behaviours have increased as a result of all these initiatives. The study found that organizational citizenship behaviour had a direct impact on the model, as the mediating effect of organizational citizenship behaviour decreased the overall effect of entrepreneurial leadership. Additionally, the results showed that entrepreneurial leadership and organizational citizenship behaviour had a statistically significant positive and predictive association. Conversely, the outcomes demonstrated a statistically significant positive and predictive relationship between organizational citizenship behaviour and competitive advantage. Therefore, the results demonstrated that this study has expanded the earlier research (Chen, M.H., 2007; Fernald, L.; Solomon, G.; Tarabishy, A., 2005). This is because entrepreneurial leadership involves fostering autonomous motivation in employees by granting them autonomy and creating a supportive environment that encourages proactive behaviour, which in turn fosters an impulse to explore and use higher performance.

The results showed a statistically significant positive and predictive relationship between entrepreneurial leadership and competitive advantage. The results also showed that the inclusion of organizational citizenship behaviour in the model correlated EL and competitive advantage. By utilizing resource-based view theory, this work adds to a more comprehensive understanding of the link between entrepreneurial leadership and competitive advantage. The study's findings showed that, in accordance with resource-based view theory, entrepreneurial leadership had an

impact on competitive advantage; nevertheless, the percentage of variance explained by entrepreneurial leadership and organizational citizenship behaviour increased when organizational citizenship behaviour was added to the model. Consequently, the results demonstrated that organizational citizenship behaviour had a significant mediating influence between entrepreneurial leadership and competitive advantage.

Table 19.

A Comparison between the Research Findings and the Literature

Author	Variable	Main Findings	Present Study's Main Findings		
Luciani, M., Pundit, M., Ramayandi, A., & Veronese, C. (2018)	EL	A significant correlation between EL and competitive advantage exists.	Entrepreneurial leadership is positively related with competitive advantage.		
G. (2018) Bagheri and Akbari (2018)	IB	A significant correlation between EL and IB exists.	Entrepreneurial leadership is positively related to the innovative behaviour.		
Huang, S.; Ding, D.; Chen, Z. ,2014	OCB	A significant correlation between EL and OCB exists.	Entrepreneurial leadership is positively related to the organizational citizenship behaviour.		
Organ, 1997; Somech and Oplatka, 2014; Utami et al., 2021	OCB	The survival, success, efficacy, and sustainability of an organization depend on organizational citizenship behaviours.	There is a significant relationship between organizational citizenship behaviour and competitive advantage.		
Podsakoff et al. (2000)	OCB	Organizational citizenship behaviour is described as behaviour that shows up as support from the social and psychological environments to help with task performance	There is a significant relationship between organizational citizenship behaviour and competitive advantage.		
De Jong and Den Hartog, 2007	IB	The innovation and implementation of new ideas are influenced by the nature of the relationships and exchanges between the employees and their managers in entrepreneurial leadership and innovative behaviour.	There is a significant relationship between entrepreneurial leadership and innovative behaviour.		
Karol, 2015)	EL	Entrepreneurial leaders create a culture that is empowering and encouraging, where all staff members are motivated to view innovation as one of their primary responsibilities and to persevere through the challenges that come with pursuing innovation	There is a significant relationship between entrepreneurial leadership and innovative behaviour.		

EL, Entrepreneurial Leadership, IB, Innovative Behaviour, OCB, Organizational Citizenship Behaviour, CA, Competitive Advantage.

#### CHAPTER VI

#### **Conclusion and Recommendations**

#### Introduction

This chapter provides an overview of the study's findings, recommendations, and contributions to theory and practice. The limitations and recommendations for further study are also given at the end of this chapter.

# Conclusion

This study adds to the body of knowledge on leadership, innovation, and organizational citizenship behaviours. Second, this study is one of the first to "examine the explanatory mechanisms that connect the attitudes and behaviours of entrepreneurial leadership, competitive advantage, and employee innovation. Thirdly, data from managers and employees of North Cyprus-based manufacturing businesses are analyzed in this study. The results of this study also advance our understanding of the correlation between employee behaviour, innovative attitudes, manufacturing development, competitive advantage, and leadership—particularly in the context of manufacturing sector organizations—by extending the applicability of resource-based view theory, social cognitive theory, and self-determination theory.

Because it seems that businesses in North Cyprus rely heavily on the qualities and skills of their owners, this particular study looked at the impact of entrepreneurial leadership, a crucial human component, on the competitive advantage of those enterprises. The goal was to close many significant gaps in the body of knowledge about corporate procedures and entrepreneurship. Enterprises that effectively handle their human capital and leverage the capabilities of their employees will have the capacity to thrive. The study ultimately created and tested a model that clarified the connections between entrepreneurial leadership, employees' innovative behaviour, organizational citizenship behaviour, and competitive advantage by examining two supporting mechanisms. The findings showed that the entrepreneurial leadership style directly predicts the competitive advantage of businesses and indirectly predicts competitive advantage through the innovative and organizational citizenship behaviours of employees. The results can be used to inform leaders about how their leadership style affects an organization.

#### **Theoretical Implications**

In a competitive setting, encouraging innovative and entrepreneurial behaviours and mindsets is anticipated to provide one an advantage. These days, putting new ideas into practice within organizations is essential for long-term business survival (Jiménez-Jiménez, D.; Sanz-Valle, R. 2011) as well as for the creation "of novel solutions that safeguard the environment and the welfare of society (Szutowski, D.; Szulczewska-Remi, A.; Ratajczak, P. 2017).

The results indicate that this study makes a significant theoretical contribution. The current study examined the mechanism of the interaction—which has received little attention in the literature—between innovative behaviour, organizational citizenship behaviour, competitive advantage, and entrepreneurial leadership. Significant direct and indirect implications for competitive advantage are described by the quantitative analysis of this work, which reveals the scientific structure of the entrepreneurial leadership. As a result of entrepreneurial leadership, innovative behaviour and organizational citizenship behaviour have significant indirect impacts on competitive advantage. The study's model states that the current research highlights significant management and leadership implications and recommendations while deepening our understanding of the crucial roles that entrepreneurial leadership, organizational citizenship behaviour, and innovative behaviour play in improving a company's competitive advantage.

This study adds to the body of literature on the topic by developing and assessing a novel model that contends that innovative and organizational citizenship behaviours displayed by employees are encouraged by entrepreneurial leadership and ultimately affects the competitive advantage of a business. This study expands "the use of resource-based view, social cognitive theory, and self-determination theory to understand better the impact of entrepreneurial leadership on innovative behaviour, organizational citizenship behaviour, and competitive advantage. A firm is a collection of unique resources and competencies that the management must utilize to the fullest extent possible, according to the resource-based view. In a study on Greek manufacturing companies, Chatzoglou and Chatzoudes (2018) discovered that innovation has a positive impact on competitive advantage. When a company's competitors are unable to offer the same goods and services, innovative work behaviour results in the development and launch of new goods and services that offer greater value to the company's customers. A company can create goods and services

with unique competitive advantages in terms of functionality and quality by adopting innovative work behaviour. As a result, the company is able to draw in new clients, hold on to its current customers, establish itself as the industry leader, and get competitive advantage (Lee and Yoo, 2019). According to this study, entrepreneurial leaders' innovative work behaviour promotes an innovative culture and promotes the development and introduction of new products and technologies, all of which result in enhanced efficiency.

The study revealed that innovative behaviour and organizational citizenship behaviour provide a mediating role in the relationship between entrepreneurial leadership and competitive advantage, thereby maximizing their contributions to the competitive advantage of the firms. Entrepreneurial leaders generally believe that a resource-based view of entrepreneurial leadership (Ireland and Hitt, 2005) may support the maintenance of the company's competitive advantage through investments in human and social capital.

Consequently, the body of prior research suggests that entrepreneurial leadership and competitive advantage are related. However, previous research has not demonstrated a direct correlation, thus this study validated the direct correlation. Social cognitive theory provides a framework for understanding, predicting, and modifying human behaviour. It posits that an individual's beliefs, actions, and interpretations influence their behaviour, and that their behaviour influences their environment, ultimately influencing their behaviour(Bandura, 2005). entrepreneurial leadership's effect on employees' outcomes has already been investigated in a number of research that use the social cognitive theory to empirically examine a variety of outcomes, including innovative work behaviour (Bagheri, Akbari and Artang, 2022; Li et al., 2020; Newman et al., 2020). As a result, this study has expanded on earlier research by suggesting that the entrepreneurial leadership serves as an external factor that fosters innovation in the workplace. When organizations with the capacity to develop skills employ entrepreneurial leadership, their competitive advantage can be maintained. According to the resource-based view, numerous firms have consistently leveraged their capacities and resources to create long-lasting competitive advantages (Prahalad and Hamel, 1990). Additionally, this theory states that the majority of these leaders think that putting money into social and human capital can help keep their company competitive (Ireland and Hitt, 2005). Accordingly, prior research have not demonstrated a direct correlation, therefore this study validated this gap by finding the direct relationship between entrepreneurial leadership and competitive advantage. Moreover, this research found that entrepreneurial leadership has a positive impact on the innovative behaviour of manufacturing employees in North Cyprus, corroborating previous research (Fontana, A.; Musa, S., 2017).

This kind of leadership affects a company's competitiveness, performance, and growth regardless of its size, type, or even structure (Renko, M.; El Tarabishy, A.; Carsrud, A.L.; Brännback, M., 2015). In order to explain why businesses, take an entrepreneurial approach when making decisions in markets, this research combined an entrepreneurial approach with resource-based view. The innovative behaviour of employees is stimulated by entrepreneurial leaders, and their attitudes have a positive impact on the ability of employees to embrace and execute innovative activities (Bos-Nehles, A.; Bondarouk, T.; Nijenhuis, K., 2017). Firstly, this study adds to the body of knowledge on entrepreneurial leadership by developing and testing a novel model that explains how entrepreneurial leadership supports competitive advantage through workers' innovative behaviour. This study validates previous research (Alsaadi, T.A.R.M.; Abuelhassan, A.E.; Khalifa, G.S.A.; Ameen, A.; Nusari, M., 2019) by demonstrating the significant influence of workers' innovative behaviour. It's also important to note that there aren't many studies that explicitly look at how entrepreneurial leadership affects employees' innovative behaviour in the body of current research on innovation. Furthermore, this research offers distinctive proof that, via cultivating an innovative atmosphere, entrepreneurial leaders facilitate their staff members' ability to become intellectually agile, identify business obstacles, look for answers, provide original and insightful ideas, and propose creative solutions. According to Chen, Taylor, and Yu (2016), leaders also constantly shape the work environment and culture within their firms, including the climate for innovation. Thus, this study included entrepreneurial leadership in the list of leadership philosophies that support innovative behaviour in workers (Karol, R.A., 2015).

The development of a new company is impacted both directly and indirectly by both generic and specific elements of an entrepreneur's human capital, according to Backes-Gellner and Werner's 2007 research. Based on self-determination theory's claims, entrepreneurial leadership fosters employee competency by granting them autonomy, which in turn fosters their own drive to seek out and seize chances". An auxiliary relationship between a leader and their subordinate is encouraged by entrepreneurial leadership, which also fosters strong correlations among team members. The employees' proactive work behaviours have increased as a result of all these initiatives. This study introduces a novel model that tackles the positive upward spiral of freely directed proactivity and finds that autonomous control increases the likelihood that proactivity delivers positive change for both individuals and associations.

Because businesses mostly depend on the traits and skills of their shareholders, the resource-based view perspective is thought to be pertinent. Thus, in order to discover and seize opportunities, as well as to endure, grow, and achieve competitive advantage, entrepreneurial leaders can make effective use of their resources. Furthermore, the working environments of businesses are characterized by uncertainty, which renders retaining qualified human resources necessary. It is true that the perception of an entrepreneur's leadership skill as a unique and irreplaceable resource has a significant impact on employee disengagement intentions and firm profitability. High human capital development can boost a business's profitability and foster a dedicated workforce for entrepreneurs.

# **Practical Implications**

The conclusion of this study, has broad implications for entrepreneurs and company executives, both present and future, who should encourage employee creativity to enhance the long-term growth and competitiveness of their organizations. The study's conclusions are immensely helpful in outlining the roles that company executives and entrepreneurs play in creating and directing innovation inside their companies, as well as in creating the best possible environment for innovation to occur there. Furthermore, leaders can build entrepreneurial leadership in environments where employees feel comfortable sharing innovative ideas and opinions in a secure setting by using the study's findings as a basis. Academics researching entrepreneurship can also use the research's conclusions to help current and future business leaders understand their new responsibilities and roles, and enhance their entrepreneurial leadership skills to stimulate innovation within their organizations (Karol, R.A., 2015).

Additionally, by instilling confidence in the organization's mission, entrepreneurial leadership encourages workers to embrace the future. entrepreneurial leadership solves problems using critical thinking, mobilizes resources, and helps businesses accomplish their objectives. organizational citizenship behaviour acts as a mediator between entrepreneurial leadership and competitive advantage. It is demonstrated by positive behaviour, performance above minimum requirements, voluntary participation in supporting organizational functions, and the development of more responsible, patient, and proactive employees, all of which will eventually boost productivity and provide a competitive edge over competitors. Finally, this study can be viewed as an effort to further our knowledge of the entrepreneurial leadership that results in increased productivity and, consequently, increased competitive advantage for a firm (Mohammed, S.I., 2020). Moreover, by bolstering the manufacturing sector, promoting innovation, and growing sustainable enterprises by generating a sustainable competitive advantage, this research can help local governments establish regional manufacturing development plans.

#### **Limitations and Future Directions of Research**

The study has some limitations that need to be taken into consideration. Significant additional research is both possible and limited by these. Future studies could compare and contrast entrepreneurial leadership with other leadership styles to see if there are any differences in the outcomes or mediating factors. Another major flaw in the study is the size of the sample. Because the study's sample was restricted to North Cyprus, its findings should be confirmed or refuted by repeating the research in other cultural contexts. Future research should test the model for individuals of different races to determine its generalizability, even though accounting for individual differences had no discernible impact on the model based on the available data. Future research may help us better understand the correlation between entrepreneurial leadership and competitive advantage by examining other mediators. Lastly, even though the study's primary focus was on these behaviours as mediators, it highly advises that future research look into the moderating impacts of employees' innovative and organizational citizenship behaviour.

### Contributions

This study's findings provide evidence to the notion that entrepreneurial leadership can be employed to create a competitive advantage. This study makes a substantial contribution to the body of literature as well as the ongoing effort to find novel strategies for competitive advantage creation that would improve business corporations' sustainable corporate performance. By analysing a sample of 440 full-

time employees in North Cyprus, this study helps to develop a conceptual model that explains how entrepreneurial leadership can foster competitive advantage and examines the mediating roles that innovative and organizational citizenship behaviours play in this correlation.

The findings of this study add to the body of knowledge regarding the correlation between innovative attitudes, manufactural development, competitive advantage, and leadership—particularly in the context of manufacturing sector organizations—by extending the applicability of resource-based view, social cognitive and self-determination theories. One of the first studies to examine the explanatory mechanisms connecting competitive advantage, employee innovation, and entrepreneurial leadership behaviours and attitudes is this one. This study stands out because it adds to the body of knowledge in leadership literature regarding innovative employee behaviour that gives firms an advantage over their competitors.

This research also adds empirical data regarding organizational citizenship behaviour as well as how it relates to competitive advantage and entrepreneurial leadership. By examining the mediating effects of innovative and organizational citizenship behaviours, the primary goal of this research is to investigate the direct and indirect effects of entrepreneurial leadership on competitive advantage. By showing that employees' innovative behaviour and organizational citizenship behaviour are significant processes that impact the entrepreneurial leadership innovation process, this study reinforces earlier studies.

This study adds to the body of knowledge on entrepreneurial leadership by developing and assessing a unique model that contends that entrepreneurial leadership promotes employees' innovative behaviour, which in turn affects an organization's competitive advantage. By carefully examining the mediating mechanisms of innovative and organizational citizenship employee behaviours and providing empirical evidence regarding the significance of entrepreneurial leadership in fostering competitive advantage, this study addresses a number of gaps in the existing body of knowledge and makes a significant contribution to the literature on innovation and leadership. Local governments may find this research helpful in assisting the manufacturing sector through innovation and the creation of sustainable enterprises when formulating policies for regional economic growth.

#### Recommendations

The study's conclusions led to the recommendation that manufacturing companies use entrepreneurial leadership to achieve their strategic objectives and stay competitive in the market. Therefore, this study can serve as a guideline for further research on the ability of entrepreneurial leadership to make decisions based on ethnicity in different nations. Improving leadership abilities across the organizational structure is essential to manufacturing organizations' ability to compete on a regional and global scale.

In our opinion, the manufacturing sector may achieve competitive advantages in the next stage of globalization by aligning goals and integrating leadership competencies to obtain a competitive edge. To maximize their potential and boost performance, companies in North Cyprus are strongly encouraged to create a welldefined plan for developing a leadership competence. In addition, the cross-sectional method employed in this study makes it impossible to infer causal relationships from the population over a longer period of time. Therefore, a longitudinal method should be used in future research to corroborate the current study's findings.

Similarly, as the data for this study comes from self-reported questionnaires, it is possible that common method variance predominated because a single survey instrument was used to examine the variables. Perceptual data is the basis for both the independent and dependent variables in this study. That's why a strategy that could lower common method variance should be included in future research. By giving employees more autonomy, entrepreneurial leadership improves their competency and boosts their motivation to find and seize chances on their own. Positive relationships between team members are fostered by entrepreneurial leadership, which also fosters an auxiliary relationship between a leader and their subordinate. The employees' proactive work behaviours have increased as a result of all these initiatives. This study provides a novel model that addresses the positive upward winding of freely directed" proactivity and advises that autonomous control increases the probability that proactivity results in positive change for both people and associations.

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#### APPENDICES

#### Appendix 1.

# NEAR EAST UNIVERSITY QUESTIONNAIRE

A Dissertation on The Role of Entrepreneurial Leadership on Competitive Advantage with the mediating effect of Organisational Citizenship Behaviour (OCB) and Innovative Behaviour.

**Researchers:** 

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Prof.Dr. Serife Eyupoglu

#### Dear Participant,

This study seeks information about the effect of entrepreneurial leadership on competitive advantage in business organizations. We are inviting your participation in this study, which will involve a survey. The survey is confidential and is for scientific purposes only. Your participation is voluntary and you may stop taking part at any time. The survey should take about 10 minutes to complete. There are no right or wrong answers. Candid responses based on your personal thoughts are greatly appreciated. If you have any questions concerning the research study, please feel free to contact us using the information stated above.

#### **QUESTIONNAIRE**

#### Section A: DEMOGRAPHICAL INFORMATION

1.Gender:					
Male		Female			
2.Age:					
18-24	25-30	31-39	40-49 5	0-59 60 or	more
3.Education	al Level:				
High school PhD	Asso	ciate Diploma	Bachelor's Di	ploma Mas	ster's Degree
4.Position a	t the organiz	zation:			(please state)
5.Years of E	Experience i	n present organiz	ation:		
Up to 1 year	1-4 years	5-10 years	11-15 years	16-20 years	More than 20 years
6.Years of E	Experience i	n banking sector:			
Up to 1 year	1-4 years	5-10 years	11-15 years	16-20 years	More than 20 years

#### Section B: MEASUREMENT OF STUDY VARIABLES

This research specifically aims to measure your perceptions about the effect of entrepreneurial leadership on competitive advantage. Therefore, when answering each of the questions listed below please rate your level of satisfaction or dissatisfaction.

**Entrepreneurial leadership** is about influencing and directing the performance of group members towards the achievement of those organizational goals that involve recognizing and exploiting entrepreneurial opportunities.

**Organizational Citizenship Behaviour (OCB)** is that extra role behaviour of the employees that they start exhibiting when they develop a close association with their organization of work.

**Competitive Advantage** is the favorable position an organization seeks in order to be more profitable than its rivals. It refers to factors that allow a company to produce goods or services better or more cheaply than its rivals.

**Innovative Behaviour** is identified as "the intentional creation, introduction and application of new ideas within a work role, group or organization, in order to benefit role performance, the group, or the organization".

Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agre
1	2	3	4	5

Entre	epreneur	ial Leadership	Ι	Level	of ag	reemen
Do Y	ou Think	x Your Boss/Manager;				
Q1	EL1	Often comes up with radical improvement ideas for the products/services we are selling	1	2	3	4
Q2	EL2	Often comes up with ideas of completely new products/services that we could sell	1	2	3	4
Q3	EL3	Takes risks	1	2	3	4
Q4	EL4	Has creative solutions to problems	1	2	3	4
Q5	EL5	Demonstrates passion for his/her work	1	2	3	4
Q6	EL6	Has a vision of the future of our business	1	2	3	4
Q7	EL7	Challenges and pushes me to act in a more innovative way	1	2	3	4
Q8	EL8	Wants me to challenge the current ways we do business	1	2	3	4
<u>Orga</u>	nisationa	al Citizenship Behaviour (OCB)	1	1	1	1
Q9	OCB1	Comfort level with your work environment	1	2	3	4
Q10	OCB2	Intend to stay with the organization	1	2	3	4
Q11	OCB3	Satisfaction with your job	1	2	3	4
Q12	OCB4	Satisfied with your supervisor	1	2	3	4
Q13	OCB5	Relation with your peers	1	2	3	4

Q14	OCB6	Relation with your subordinate if any	1	2	3	4
Q15	OCB7	Provide support to your peers	1	2	3	4
Q16	OCB8	Provide guidance to your juniors	1	2	3	4
Q17	OCB9	Share ideas for change in working patterns	1	2	3	4
Q18	OCB10	Protect organization's reputation	1	2	3	4
Com	petitive A	dvantage				
Q19	CA1	How much you are satisfied with the market reputation of your company	1	2	3	4
Q20	CA2	Your product and services are being appreciated in the Market	1	2	3	4
Q21	CA3	Your company has recently shown progress in profitability	1	2	3	4
Q22	CA4	People like to work for your company	1	2	3	4
Q23	CA5	Your role in developing the image of your company	1	2	3	4
Innov	vative Bel	haviour	I	1		
Do yo	our collea	gues;				
Q24	IB1	Pay attention to issues that are not part of his/her daily work?	1	2	3	4
Q25	IB2	Wonder how things can be improved?	1	2	3	4
Q26	IB3	Search out new working methods, techniques or instruments?	1	2	3	4
Q27	IB4	Generate original solutions for problems?	1	2	3	4
						<u>                                     </u>

Q28	IB5	Find new approaches to execute tasks?	1	2	3	4
Q29	IB6	Make important organizational members enthusiastic for innovative ideas?	1	2	3	4
Q30	IB7	Attempt to convince people to support an innovative idea?	1	2	3	4
Q31	IB8	Systematically introduce innovative ideas into work practices?	1	2	3	4
Q32	IB9	Contribute to the implementation of new ideas?	1	2	3	4
Q33	IB10	Put effort in the development of new things?	1	2	3	4

#### Appendix 2.

#### ARAŞTIRMA ANKETİ

## NEAR EAST UNIVERSITY

A Dissertation on The Role Of Entrepreneurial Leadership On Competitive Advantage with the mediating effect of Organisational Citizenship Behaviour (OCB) and Innovative Behaviour.

Researchers:

Kansu Ercantan (PhD candidate)

Prof.Dr. Serife Eyupoglu

(Supervisor)

Department of Business Administration Near East University Lefkosa, North Cyprus <u>Email:20195315@std.neu.edu.tr</u> Department of Business Administration Near East University Lefkosa, North Cyprus Email: serife.eyupoglu@neu.edu.tr

Sayın Katılımcı,

Bu çalışma, Girişimci Liderliğin ticari organizasyonlarda rekabet avantajı üzerindeki etkisi hakkında bilgi aramaktadır. Bir anket içerecek olan bu çalışmaya katılımınızı bekliyoruz. Anket kimliksizdir ve yalnızca bilimsel amaçlıdır. Katılımınız gönüllüdür ve herhangi bir zamanda katılmayı bırakabilirsiniz. Anketin tamamlanması yaklaşık 10 dakika sürmelidir. Doğru ya da yanlış cevap yoktur. Kişisel düşüncelerinize dayalı samimi yanıtlar çok takdir edilmektedir. Araştırma çalışmasıyla ilgili herhangi bir sorunuz varsa, lütfen yukarıda belirtilen bilgileri kullanarak bizimle iletişime geçmekten çekinmeyin.

#### QUESTIONNAIRE

### Bölüm A: DEMOGRAFİK BİLGİLER

1.Cinsiyet	:					
Erkek		Kadın				
2.Yaş:						
18-24	25-30	) 31-39		40-49	50-59	60 ve üstü
3.Eğitim S	eviyesi	:				
Lise	Lisans	Yüksel	k Lisans	Doktora		
4.Pozisyon	ı:				(pleas	se state)
5. Kac sen	edir ay	ni şirket icin o	alisiyorsun	uz?		
Yaklaşık 1	sene	1-4 sene	5-10 sene	10 veya	daha fazla	
6. Kac sen	edir sel	ktörünüzde ca	lisiyorsunu	z?		
Yaklaşık 1	sene	1-4 sene	5-10 sene	10 veya	daha fazla	

# BÖLÜM B: ÇALIŞMA DEĞİŞKENLERİNİN ÖLÇÜMÜ

Bu araştırma, özellikle girişimci liderliğin rekabet avantajı üzerindeki etkisi hakkındaki algılarınızı ölçmeyi amaçlamaktadır. Bu nedenle, aşağıda listelenen soruların her birini yanıtlarken lütfen memnuniyet veya memnuniyetsizlik düzeyinizi derecelendirin.

**Girişimci liderlik**, grup üyelerinin performansını, girişimci fırsatları tanımayı ve kullanmayı içeren örgütsel hedeflere ulaşılmasına yönelik olarak etkilemek ve yönlendirmekle ilgilidir.

Örgütsel Vatandaşlık Davranışı (ÖVD), çalışanların çalıştıkları örgütle yakın bir ilişki geliştirdiklerinde sergilemeye başladıkları ekstra rol davranışlarıdır.

**Rekabet Avantajı**, bir kuruluşun rakiplerinden daha karlı olmak için aradığı elverişli konumdur. Bir şirketin mal veya hizmetleri rakiplerinden daha iyi veya daha ucuza üretmesini sağlayan faktörleri ifade eder.

Yenilikçi Davranış rol performansına, bir gruba veya kuruluşa yeni fikirlerin kasıtlı olarak oluşturulması, tanıtılması ve uygulanması olarak tanımlanır.

Kesinlikle Katılmıyorum	Katılmıyorum	Nötr	Katılıyorum	Kesinlikle Katılıyo
1	2	3	4	5

Girişimci Liderlik	Katılır	n Se	viyesi
Sizce Patronunuz veya Müdürünüz;			

Q1	EL1	Genellikle sattığınız ürünler/hizmetler için radikal geliştirme fikirleri buluyor mu?	1	2	3	4
Q2	EL2	Genellikle satabileceğimiz yeni ürün veya hizmet fikirleri buluyor mu?	1	2	3	4
Q3	EL3	Risk alıyor mu?	1	2	3	4
Q4	EL4	Problemlere yaratıcı çözümleri var mi?	1	2	3	4
Q5	EL5	İşine olan tutkusunu gösteriyor mu?	1	2	3	4
Q6	EL6	İşimizin geleceği hakkında bir vizyona sahip mi?	1	2	3	4
Q7	EL7	Sizi daha yenilikçi bir şekilde hareket etmeye zorluyor ve itiyor mu?	1	2	3	4
Q8	EL8	Sizi mevcut iş yapma yöntemlerimizi geliştirmeye itiyor mu?	1	2	3	4
Örgü	itsel Vata	ndaşlık Davranışı	1	1	_1	<u>                                      </u>
Q9	OCB1	Çalışma ortamınızla konfor düzeyi	1	2	3	4
Q10	OCB2	Organizasyonda kalmak niyetiniz	1	2	3	4
Q11	OCB3	İşinizden memnuniyet seviyeniz	1	2	3	4
Q12	OCB4	Yöneticinizden memnun musunuz?	1	2	3	4
Q13	OCB5	Meslektaslarinizla olan ilişkinizden memnun musunuz?	1	2	3	4
Q14	OCB6	Is arkadaslarinizla olan ilişkinizden memnun musunuz?	1	2	3	4
Q15	OCB7	Is arkadaslariniza destek oluyor musunuz?	1	2	3	4
Q16	OCB8	Ise yeni girenlere rehberlik ediyor musunuz?	1	2	3	4
	<u> </u>					

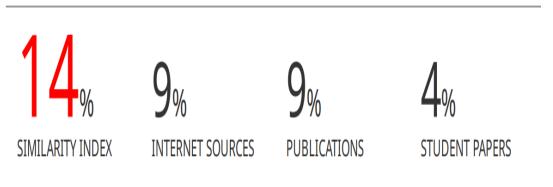
						<u>.                                    </u>
Q17	OCB9	Çalışma modellerinde değişiklik için fikirlerinizi	1	2	3	4
		paylaşıyor musunuz?				
Q18	OCB10	Kuruluşun itibarını koruyor musunuz?	1	2	3	4
Reka	bet avant	ajı				
Q19	CA1	Şirketinizin piyasa itibarından ne kadar memnunsunuz?	1	2	3	4
Q20	CA2	Ürün ve hizmetleriniz piyasada beğeniliyor mu?	1	2	3	4
Q21	CA3	Şirketiniz son zamanlarda kar seviyelerinde ilerleme kaydetti	1	2	3	4
Q22	CA4	İnsanlar şirketiniz için çalışmaktan hoşlanıyor	1	2	3	4
Q23	CA5	Şirketinizin imajını geliştirmekte bir rolünüz var	1	2	3	4
Yenil	likçi Davr	anış				
Is arl	kadaslariı	niz;				
Q24	IB1	Günlük işlerinizin bir parçası olmayan konulara dikkat ediyor mu?	1	2	3	4
Q25	IB2	İşlerin nasıl iyileştirilebileceğini merak ediyor mu?	1	2	3	4
Q26	IB3	Yeni çalışma yöntemleri, teknikleri veya araçları araştırıyor mu?	1	2	3	4
Q27	IB4	Sorunlara özgün orijinal çözümler üretiyor mu?	1	2	3	4
Q28	IB5	Görevleri yürütmek için yeni yaklaşımlar buluyor mu?	1	2	3	4
Q29	IB6	Önemli organizasyon üyelerini yenilikçi fikirler için heveslendiriyor mu?	1	2	3	4
Q30	IB7	İnsanları yenilikçi bir fikri desteklemeye ikna etmeye mi çalışıyor mu?	1	2	3	4
	l		I			I

Q31	IB8	Yenilikçi fikirleri iş uygulamalarına sistematik olarak dahil ediyor mu?	1	2	3	4
Q32	IB9	Yeni fikirlerin uygulanmasına katkıda bulunuyor mu?	1	2	3	4
Q33	IB10	Yeni şeyler geliştirmek için çaba harcıyor mu?	1	2	3	4

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The Role of Entrepreneurial Leadership on Competitive Advantage with the Mediating effect of Organisational Citizenship Behaviour and Innovative Behaviour by Kansu Ercantan

ORIGINALITY REPORT



#### ETHICS COMMITTEE APPROVAL



SCIENTIFIC RESEARCH ETHICS COMMITTEE

05.06.2023

Dear Kansu Bankeroğlu

Your application titled **"The Role Of Entrepreneurial Leadership On Competitive Advantage with the mediating effect of Organisational Citizenship Behavior (OCB) and Innovative Behavior. A Study on Cyprus SMEs"** with the application number NEU/SS/2023/1578 has been evaluated by the Scientific Research Ethics Committee and granted approval. You can start your research on the condition that you will abide by the information provided in your application form.

BY. 5

Prof. Dr. Aşkın KİRAZ

The Coordinator of the Scientific Research Ethics Committee

#### 1.Name/Surname:

Kansu Ercantan

#### 2. Education:

Degree	Department/Programme	University	Year
UNDERGRADUATE	BSC (HONS) ACCOUNTING AND MANAGEMENT	QUEEN MARY UNIVERSITY OF LONDON	2018
MASTER	MA TOURISM MANAGEMENT	UNIVERSITY OF GREENWICH	2019
PHD.	PHD BUSINESS ADMINISTRATION	NEAR EAST UNIVERSITY	2024

#### **3. Experiences**

Prime Ministry European Union Coordination Centre To act as a bridge between the European Community Institutions and TRNC public institutions and bodies, and to perform all official correspondences in order to achieve an efficient coordination network.

BOOSTROAS – SALES & PARTNERSHIPS Searching for potential partnerships. Building a client portfolio focusing on the UK market.

#### LEVENT – AUDIT PERSONNEL

Reviewed financial accounts on a daily basis and checked validity of financial records weekly and monthly.

# SUMMER INTERNSHIP AT DD & CO. (CHARTERED ACCOUNTANT'S FIRM), 2014

Learning about accounting software and how to read financial documents.

CV

#### 4. Skills

Active team worker with good time and project management skills. Great communication skills considering I worked right under executive personnel. Tech savvy and follower of new tech.

Computer skills:

Microsoft Excel, Word, PowerPoint and IBM SPSS, SPSS Process Macro, AMOS, SEM.

Editing and photoshop skills including Adobe Creative Cloud, iMovie and Canva. Experienced user of the project management platform Asana.

Critical thinking and excellent writing skills. Leadership and analytical skills. Ability to conduct market research.

Active follower of social media trends and marketing campaigns of brands.