A STUDY OF THE IMPACT OF LEADERSHIP STYLES AND ENTREPRENEURIAL ORIENTATION ON ORGANIZATIONAL PERFORMANCE OF SELECTED MANUFACTURING SMEs IN PUNE REGION FOR THE PERIOD 2008 TO 2013.

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By

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Under the Guidance of

Prof. (Dr.) Mukesh Kanaskar

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DECLARATION

I hereby declare that the thesis entitled **"A study of the impact of Leadership Styles and Entrepreneurial Orientation on Organizational Performance of Selected Manufacturing SME's in Pune region for the period 2008 to 2013"** completed and written by me has not previously formed as the basis for the award of any Degree or other similar title upon me of this or any other Vidyapeeth or examining body. I understand that if my Ph.D. thesis (or part of it) is found duplicate at any point of time my research degree will be withdrawn.

Place: TMV, Pune.   **Mr. Nitin R Vaidya**

Date: /   /2015   Research Student

CERTIFICATE

This is to certify that the thesis entitled **"A study of the Impact of Leadership Styles and Entrepreneurial Orientation on Organizational Performance of Selected Manufacturing SMEs in Pune Region for the Period 2008 to 2013"** which is being submitted herewith for the award of the Degree of Vidyavachaspati (Ph.D.) in Management Science department of Tilak Maharashtra Vidyapeeth, Pune is the result of original research work completed by Shri. Nitin Ravsaheb Vaidya under my supervision and guidance. To the best of my knowledge and belief the work incorporated in this thesis has not formed the basis for the award of any degree or similar title of this or any other University or examining body upon him.

Place: TMV, Pune.   **Prof. (Dr.) Mukesh Kanaskar**

Date: /   /2015   Research Guide

ABSTRACT

The SME industry is the backbone of Indian economy and an impactful entrepreneurial orientation and leadership style can have significant contribution to the success of these SME's. The SME industry is very resource and labor intensive, demanding an effective leadership to lead the employees and an effective entrepreneurial orientation to combat the competition both at the local and global levels.

This literature review has examined the past research on leadership styles, entrepreneurial orientation and organizational performances. Based on the research it has been observed that there is lack of evidence in Indian context regarding literature discussing the effectiveness of leadership styles and entrepreneurial orientation with respect to SME's performance.

This has given an opportunity to explore the gap and points out from local and global literature about how demographic can shape leadership behavior and entrepreneurial orientation of owners/managers, also the gap has been found in the practice of components of leadership styles and entrepreneurial orientation of owners/managers of SME's and finally the impact of these leadership styles and entrepreneurial orientation on organizational performance of SME's in manufacturing industry of Pune. This has led the researcher to do a quantitative investigation of the above mentioned aspect.

The purpose of this study was to contribute to the body of knowledge of leadership, entrepreneurship and strategic performance management specifically at SME's in manufacturing industry of Pune. The study has been designed to understand and evaluate the various leadership styles and their relation and impact on organizational performance also it has been studied that how entrepreneurial orientation impacts on organizational performance of SME's in manufacturing industry of Pune. It was also structured in a way to understand the effect of various demographics in shaping the leadership and entrepreneurship behavior of owners/managers of SME's. The researcher has used a multifactor leadership questionnaire to measure the leadership styles of owners/managers such as transformational leadership, transactional leadership and passive-avoidant leadership. The research study has used questionnaire to measure the various aspect of entrepreneurial orientation of owners/managers, the various aspects of entrepreneurial orientation covered were autonomy, innovativeness, risk-

taking, Proactiveness and competitive aggressiveness. The business performance has been measured and to do that the researcher has used the questionnaire which has measured various aspects of performance such as process performance, supplier relationship performance, people performance and customer relationship performance. To execute the designed study the researcher has conducted 300 surveys of owners/managers of SME's in manufacturing industry of Pune. The responses for the various items has been recorded and tested for the accuracy of data entry, reliability and validity. The various statistical tests has been performed to answer the research questions involved into the study, the test performed were friedman test, Wilcoxin signed rank test, MANOVA test, structured equation modeling and descriptive statistical tests for mean and standard deviations. The significant conclusions drawn from this study were that most percentage of total sample practice transactional leadership followed by transformational and passive-avoidant leadership also these leadership styles such as (transformational and transactional leadership) impacts the organizational performance whereas the passive-avoidant leadership proves to be a negative predictor of organizational performance. Analysis has also indicated that owners/managers practicing qualities such as motivation, consideration and behavior from transformational leadership were quite high whereas on other hand in transactional leadership they practice both reward and punishment and management by exception-active qualities up to same extent. This study has also found that entrepreneurial orientation of owners/manager of SME's in manufacturing industry of Pune has a significant effect on organizational performance. Analysis has found that the owners/managers of SME's exhibit innovativeness, risk-taking and autonomy qualities quite high. The study has also explored that whether demographics has any influence on leadership styles and entrepreneurial orientation and it has been found that gender and experience has no influence on leadership styles and entrepreneurial orientation where on the other side age has influenced entrepreneurial orientation of owners/managers of SME's. Qualification of owners/manager of SME's has influenced the leadership styles. Designation of managers has showed higher transformational leadership behavior than owners of these SME's. The study has tested the components of leadership styles and entrepreneurial orientation practiced by owners/managers of SME's and it is found that owners/managers of SME's in manufacturing industry of pune are highly innovative and risk-takers, while in leadership they practice both transformational and transactional leadership style.

So overall conclusions of the study contribute that the SME's in manufacturing industry of Pune perform moderately better with transformational leadership than transactional leadership and the SME's should align their leadership in such a way that it will have a significant impact on organizational performance.

The findings of the research study can contribute to SME's, Policy Makers and Academics on leadership, entrepreneurship and its relation/impact on organizational performance.

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1. Introduction

1.1 Background of the Study

In the fast changing and increasingly competitive global market environment, small and medium enterprises are found to be playing a bigger and key role in economic development.

SMEs are the economic engine, providing growth, employment and innovation. The SMEs have contributed significantly to job creation, social stability and the economic welfare of the state and nation. Studies have shown that SMEs have played major roles in fostering economic growth, generating employment and reducing poverty.

The success or failure of any institution or organization is dependent on effectiveness of a leader (Harris, August 2000). However, most of the leadership research during the past decades was conducted in western part of the world and very little has been explored in South Asian or Gulf Nations (Mohd Fazli Mohd Sam, July 2012). This requires research studies to focus in variety of contexts that include specific industries and cultures. The aim of this study is to explore the leadership styles and entrepreneurial orientations of owner managers of SMEs in the context of a developing country- India Pune in particular and examine their impact on the performance of the organization.

A specific interest in manufacturing industry in SME's in Pune is due to the fact that during financial crisis of 2008-09, which hit organizations across the world, SME's survived partly because the majority of the SME's relied on local sourcing of materials and less on material imported. The crisis caused a significant decline in foreign countries but the SME's which served a domestic market made it through and hence the negative impact of the crisis was less profound on them.

Despite their contribution to the economic development of the country, increasing competition has placed SME's in the manufacturing industry in a weak position. To survive the SME's will have to develop themselves to face stiff competition, even though they have limited capital and resources. Their success in combating the challenging business environment depends upon their leadership and entrepreneurial activities.

On the same lines studies have reported that specific entrepreneurial orientations have had a positive impact on organizational performance while other studies have been unable to identify a significant relationship between entrepreneurial orientation and organizational performance (Kusumawardhani, 2013).

Thus there is a need to study the leadership styles and entrepreneurial orientations of SME's in the manufacturing industry to clarify how leadership style and entrepreneurial orientation impact organizational performance and also to identify which demographics influence leadership and entrepreneurial behaviors.

1.2   Problem Statement

The specific research problem under evaluation in this study was inappropriate leadership and entrepreneurial behaviors in owners/managers of SME's that interfere with organizational performance. Some owners/managers of SME's find it difficult to develop and show the leadership and entrepreneurship behavior which is required in this dynamic business environment. This behavior can lead to failure or a survival issue for SME's.

SME's in the manufacturing industry in the Pune region have the potential ability to contribute to the state's economy. However, to sustain and prosper in this dynamic business environment, these SME's have to rely on appropriate leadership and entrepreneurial behaviors. Therefore it is expected that by adapting specific leadership styles and entrepreneurial orientation they may enhance their organizational performance. At the same time, age, gender, experience, qualification and designation can have an effect on an individual's perspective and hence also on their staff or subordinates/co-workers.

Although there are several studies pertaining to leadership and entrepreneurship, there is still limited literature on how leadership and entrepreneurship behaviors of owners/managers of SME's in Pune impact organizational performance, particularly in the manufacturing industry.

This gap in studies calls for exploring and understanding leadership styles, entrepreneurial orientation and their influences on organizational performance, specific to SME's in Pune.

In summary, the results of this study will contribute to the SME association/chamber of commerce and academics body of knowledge in an attempt to develop leadership and entrepreneurial behavior of owners/mangers of Pune thereby helping them to improve their organizational performances.

1.3   Objectives of Study

The main objective of this study is to investigate the impact of leadership styles and entrepreneurial orientation on the organizational performance of SME's from the manufacturing industry in Pune.

The research aims to achieve the following objectives:

1. To do a quantitative investigation of dominant leadership style of the respondents.

2. To do a quantitative investigation whether the dimension of leadership styles found in the literature is practiced by owners/managers of SME's in the manufacturing industry of Pune.

3. To do a quantitative investigation whether the dimensions of entrepreneurial orientation found in the literature is practiced by owners/managers of SME's in the manufacturing industry of Pune.

4. To understand which demographics influence the leadership styles and entrepreneurial orientation of owners/managers of SME's from the manufacturing industry of Pune.

5. To empirically examine the impact of leadership styles on the organizational performance of SME's from the manufacturing industry of Pune.

6. To empirically examine the impact of entrepreneurial orientation on the organizational performance of SME's from the manufacturing industry of Pune.

1.4   Research Questions

Based on the research objectives stated above; this study aims to address following research questions:

1. Does <u>gender</u> influence Leadership Styles and Entrepreneurial orientation?

2. Does <u>age</u> influence Leadership Styles and Entrepreneurial orientation?

3. Does <u>experience</u> influence Leadership Styles and Entrepreneurial orientation?

4. Does <u>qualification</u> influence Leadership Styles and Entrepreneurial orientation?

5. Does <u>designation</u> influence Leadership Styles and Entrepreneurial orientation?

6. Whether there is the difference in the extent of the transformational leadership style components practiced among respondents of SME's?

7. Whether there is a difference in the frequency of the transactional leadership style component practiced among owners/managers of SME's?

8. Whether there is a difference in the frequency of the passive-avoidant leadership style component practiced among owners/managers of SME's?

9. Whether there is the difference in the frequency of entrepreneurial orientation components practiced among respondents of SME's?

10. Whether Leadership Styles and Entrepreneurial Orientation are co-related?

11. Whether Transformational Leadership Style and Organizational Performance are co-related?

12. Whether Transactional Leadership Style and Organizational Performance are co-related?

13. Whether Passive-Avoidant Leadership Style and Organizational Performance are co-related?

14. Whether Entrepreneurial Orientation and Organizational Performance are co-related?

15. Whether Transformational Leadership impacts Organizational Performance?

16. Whether Transactional Leadership impacts Organizational Performance?

17. Whether Passive-Avoidant Leadership impacts Organizational Performance?

18. Whether Entrepreneurial Orientation impacts Organizational Performance?

1.5   Scope of Research

This study investigates SME's in the manufacturing industry of Pune. The manufacturing industry has been selected for this study; as it represents a resource and labor intensive industry. Furthermore, the manufacturing industry particularly SME's in Pune make a significant contribution to the States and thereby the Nation's economic growth and also it creates jobs for thousands.

The population for this study was SME's owners/managers in the manufacturing industry in Pune region. The respondents were the owners/managers of these SME's who have complete awareness and knowledge about the organization's vision, mission, strategies and performance.

1.6   Significance of the Study

The current study involved examining whether leadership styles and entrepreneurial orientation impact organizational performance *and* whether demographics (i.e. age, gender, experience, qualification and designation) influence leadership styles and entrepreneurial orientation. Leaders or entrepreneurs mostly attempt to direct the workforce in the hopes of completing the work order and increase the productivity output. However, for many owners/managers, successfully running the business unit has been a difficult task, in particular in the manufacturing industry in Pune, due to resource and labor-intensive businesses and dynamic business environments. This makes understanding the rationale behind this is even more challenging.

The results of the study might contribute to four perspectives: theoretical, empirical, practical and policy. From the theoretical perspective, this study increases the understanding of different leadership styles and entrepreneurial orientation components within the context of SME's in manufacturing industry in Pune, with respect to organizational performance.

Empirically this study is an attempt to understand the leadership styles and entrepreneurial orientation components practiced by the owners/managers of manufacturing industries in Pune. This study further explores whether leadership style and entrepreneurial orientation impact organizational performance. Different types of tests were used, which adds to the robustness of the research. Furthermore, the outcome of the study provides results which can be generalized and served as a starting point for additional research.

From a practical perspective, the results of this study might offer new insights for owner/managers of SME's in the manufacturing industry in Pune. The results should help them to become more aware and knowledgeable about the different leadership styles and entrepreneurial orientations and help them to devise a strategy for workforces and businesses to gain a competitive advantage in a dynamic business environment. However, this study also suggests that not all leadership styles impact the business performance in a positive way. It also suggests that entrepreneurial orientations impact on limited aspects of business performance. Therefore it gives owners/manager of SME's from manufacturing industry in Pune an opportunity to evaluate their respective leadership styles and entrepreneurial orientation and align it to improve their organizational performance and thereby add value to the self, workforce and society at large.

From a policy perspective, the results of the study could provide a foundation for developing principles of leadership styles and entrepreneurial orientation in the context of organizational performance. This can help the policy makers of SME's (i.e. chamber of commerce, government authorities etc.) in Pune to develop an action plan for the development of leadership talent and also provide an opportunity to nurture the entrepreneurial orientation of owners/managers, specifically in the resources and labor constraints and dynamic business environment of Pune.

2.   Literature Review

The previous studies have revealed that the most important aspect of management is "Leadership" (Odumeru, June 2013). This is because leadership plays a vital role in shaping the quality of organizations and nations. Even very large organizations such as GE and Chrysler have been turned around from the verge of bankruptcy to evolve into some of the world's most profitable organizations through the effective leadership of Jack Welch and Lee Iacocca. Today the United States, Britain, India and France are examples of nations displaying effective leadership, precisely because the leaders of these nations are making things happen.

So far, numerous theories have been discussed and put forward to explain the principles of leadership. Two of the most prominent leadership theories are:

- Transformational Leadership Theory

- Transactional Leadership Theory

2.1   Transformational Leadership

Transformational and charismatic leadership has dominated the political and business climate since the late 1980s. Different versions of transformational leadership have been proposed by several theorists, including Bass (1985-1996). This leadership style integrates ideas about traits, styles, contingency approaches to leadership and also incorporates and builds on the work of sociologists such as Weber (1947), and Political Scientists such as Burns (1978).

J.V Downton in 1973 first coined the term 'transformational leadership' in his book "Rebel Leadership – commitment and charisma in a revolutionary process". The concept of transformational leadership didn't get the credibility and worldwide acceptance until unless James Macgregor Burns reintroduced the concept of transformational leadership in his book "Leadership" in 1978, while he was studying political leadership. Burns described it as an ongoing process through which leaders and followers raise one another to higher levels of morality and motivation. Burns suggested transformational leaders raise the bar of followers by appealing to the higher ideals and the values of the

followers. In doing so, they may model the values themselves and use charismatic techniques to promote those values to others.

Nowadays, this term is also used in organizational psychology. Burns was influenced by Abraham Maslow's theory of human needs. This influence was because Burns believed that to become a successful and authentic transformational leader- it requires a high level of self-esteem and self-actualization.

According to the leadership theories of James MacGregor Burns, transformational leadership is "A relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents". Burns became famous among alternative leadership scholars because his model of transformational leadership included an ethical and moral dimension that had not been included in any leadership theoretical studies prior to 1978. Bernard M Bass, a disciple of Burns, further defined transformational leaders as those who succeed in raising colleagues, sub-ordinates, and followers to a greater level of awareness regarding issues of consequence (Bass, 1985).

Transformational leaders work at developing their followers so they are able to take on leadership roles. Transformational leaders also perform beyond the established standards and goals (Avolio, 1993).

Several years of research and a number of meta-analysis have shown that transformational leadership positively predicts a wide variety of performance outcomes, including individual growth and organizational level variables (Bass, The Bass Handbook of Leadership, 2008). Transformational leadership has evolved from and contains elements from previous leadership theories such as:

- Trait

- Behavior

- Charisma

- Situation

- Transaction

There are four main elements to transformational leadership:

1. **Charisma / Idealized Influence:** Charismatic leaders provide vision and mission to their sub-ordinates. These leaders instil pride and increase the level of optimism in their sub-ordinates, which then generates respect and trust from their sub-ordinates. Charismatic leaders also excite and inspire their sub-ordinates (Bass, 1985). According to Bass, attaining charisma in the eyes of employees is an important component to succeeding as a transformational leader. In essence, charisma is a distinguishable characteristic of people who are special, who get others to want to follow the vision they are proposing. An example would be Nelson Mandela, the first non-white president of South Africa. Mandela is viewed as a leader with high moral standards and a vision for South Africa that resulted in a monumental change in how the people of South Africa were governed. His charismatic quality and the general public response to his charisma transformed the entire nation.

2. **Inspirational Motivation:** Inspiration is a component of charisma. Inspirational motivation is the degree to which the leader articulates a vision which appeals and inspires the followers. Leaders with this kind of motivation challenge their followers with high standards; they communicate their vision with optimism and provide meaning for the task at hand. Followers need to have a strong sense of purpose to be motivated to execute this act. This sense of purpose provides the energy required to drive a group and take it forward. The visionary aspects of leadership are supported by communication skills that make the vision comprehensive, precise, powerful and engaging. The followers are willing to invest more effort in their tasks as they are motivated and optimistic about the future and believe strongly in their abilities. An example of this would be a sales manager who motivates and encourages the sales force to excel in their work through pep talk that clearly communicates the integral role of the sales team in the future growth of the company.

3. **Individualized Consideration:** Leaders motivate and attract their followers to a specific vision or mission. Individual consideration is one of the ways they do that.

Individual consideration involves coaching and mentoring the followers while providing continuous feedback. The leaders actively listen and show concern for an individual's current needs and then align them to the organization's mission (Bass, 1985). Overall individualized consideration from a leader helps the followers attain their full potential (Bass F. J., 1990). According to Bass and Avolio, individualized consideration builds on two aspects of behaviours: 1) Individualization of followers, and 2) Development of followers. An example of this type of leadership is a manager who spends time treating each employee in a caring and unique way. For some employees, the leader may offer a strong affiliation; for others, the leader may give specific directives with a high degree of structure.

4. **Intellectual Stimulation**: An intellectually stimulating leader stimulates and encourages creativity amongst their followers, but also nurtures and develops them to make them think independently. Followers ask questions, think deeply, and analyse new ways to execute their tasks. These leaders challenge the assumptions made by people, take risks, and are open to their follower's ideas. These kinds of leaders understand the problems of their followers, and recognize their beliefs and values. These leaders have the capacity to face unexpected situations and consider it as a learning opportunity. An example of this type of leadership is a plant manager who promotes their workers individual efforts to develop unique ways to solve problems that have caused a slowdown in production.

2.2   Transactional Leadership

The concept of *transactional* leadership was first coined by Max Weber in his socio-economic consideration of organization. Max Weber was the first to describe the transactional leadership style, and his basic concept was accepted by Bernard Bass (Srdan Nikezic, 2012).

Transactional leadership is based on classic principles of exchange with followers who are part of the interaction. The followers are rewarded for meeting pre-defined standards and performance.

The transactional leadership style is commonly used in environments where the focus is on short term goals, standards, procedures, roles, and control. Creativity, vision and generation of new ideas were not present. Efficiency (cost-cutting) is the key variable of leadership competency in this approach. These leaders are completely dominated by left brain thinking (rational behavior), while right brain thinking (emotional intelligence) is totally excluded. In this style, followers are motivated only by rewards and punishments.

This style of leadership works best when an organization's problems are simple and are clearly defined. In this model leaders usually exhibit a rigid behavior style. Examples of this are the American and French politicians McCarthy and DeGaulle. The transactional leadership approach was most common from the end of Second World War until the 1970's.This was likely because the business climate, particularly in United States, provided a high level of stability. This is the reason most organizations at that time did not feel the need to change and consequently didn't change their leadership approach. A leader with formal authority in the organization exercised power to ensure the followers completed the task. The followers simply followed the instructions provided by the leaders.

Three main assumptions of transactional leadership are:

- Employees are motivated by leaders through reward and punishment.

- Followers respect the directions received from the leader.

- There is no self-motivation, and followers are controlled by leaders.

Transactional leaders focus on these processes and do not promote creativity. Specific dimensions to transactional leadership include:

Contingent Reward: an exchange process between leaders and followers in which efforts by the followers are reciprocated with specific rewards. With this kind of leadership, the leader tries to obtain agreement from followers on what must be done and what the pay-offs will be for the people doing it. An example of this type of transaction is parents that negotiate with their children on how much television the children can watch after completing a certain task. Another example often occurs in the academic setting: A

dean negotiates with the college professors regarding the volume and quality of publications they need to produce to receive tenure and promotion.

Management-by-exception- Active: A leader using the active form of management-by-exception watches followers closely for mistakes or rule violations and then takes corrective actions. An example of active management-by-exception is the leadership of a sales supervisor who monitors daily how employees approach customers; he quickly corrects the salespeople who are slow to approach customers in the prescribed manner.

2.3   Passive-Avoidant Leadership

Several studies have proven that passive-avoidant leaders avoid identifying and clarifying potential problem areas. They avoid getting involved in setting standards or monitoring results. This leadership style generally has a negative effect on leadership results. Overall this style represents the absence of leadership values. Most of us know passive-avoidant leaders as laissez-faire who takes a hands-off, let-things-ride approach where these type of leaders abdicate responsibility, delay decision, hold back feedback, and make little effort to help followers satisfy their needs.

Passive-avoidant Leadership is the most extreme form of passive leadership and can even be called non leadership. This type of leadership style is more negative than a active leadership style.

Management-By-Exception-Passive: Along with laissez-faire leadership style one more approach included in this is management-by exception-passive**:** where a leader using the passive form intervenes only after standards have not been met or problems have surfaced. An example is the leadership of a supervisor who gives an employee a poor performance evaluation without ever talking to the employee about her or his prior work performance. Both active and passive management-by-exception types use more negative reinforcement patterns than positive reinforcement pattern.

2.4   Transformational and Transactional Leadership

James Macgregor Burns distinguished between transformational and transactional leaders by explaining that transactional leaders exchange tangible rewards for the work and

loyalty of the followers. Transformational leaders engage with and focus on higher order intrinsic needs of the followers. They raise consciousness about the significance of specific outcomes and new ways in which these outcomes might be achieved. Transactional leaders tend to be more passive as compared to transformational leaders who demonstrate active behaviors that include providing a sense of mission.

Table 1: Difference between Transformational and Transactional Leadership

Transactional Leadership	Transformational Leadership
Responsive leadership	Pro-active leadership
Works within the organizational culture	Works to change the organizational culture by implementing new ideas
Employees achieve objectives through rewards and punishment set by leader	Employees achieve objectives through higher ideals and moral values
Motivate followers by appealing to their own self interest	Motivate followers by encouraging them to put group interest first
Management-by-exception: Maintain the status quo: stress the corrective action procedure for improved performance	Individualized consideration-Each behavior is directed to each individual to express consideration and support Intellectual stimulation- Promote creative and innovative ideas to solve problems

Douglas Macgregor's 'theory X' and 'theory Y' can also be compared to these two leadership styles. Theory X can be compared to transactional leadership where managers need to rule by fear and consequences. In this style and theory, negative behavior is punished and employees are motivated by incentives.

Theory Y and Transformational leadership are similar because both the theory and style support the idea that managers work to encourage their workers. Leaders assume the best of their employees. They believe that their employees are trustworthy, respectful and self-motivated. Leaders help to provide their followers with the tools they need to excel.

2.5   Entrepreneurial Orientation (EO)

Previous studies show that entrepreneurial orientation is proven to be an important aspect in entrepreneurship literature. (Andreas Rauch, 2009) who reviewed previous EO-performance relationship studies and it has been revealed that there has been a dramatic shift in such studies on a global scale. Entrepreneurial orientation represents an important area of research which can contribute to the body of knowledge about entrepreneurship.

Different studies have used different terminologies when discussing different styles of entrepreneurship. These terms include entrepreneurial posture (Slevin, 1991), corporate entrepreneurship (Covin, 1995) and entrepreneurial orientation (G. T. Lumpkin, 1996). However, despite of all these terms, entrepreneurial orientation is the most widely accepted and applied concept.

Entrepreneurial Orientation refers to the specific behaviors of organizations in risky environments. These behaviors include engaging in innovations, behaving proactively, and outperforming competitors in an aggressive manner (Dess, 1996).

Entrepreneurial orientation provides the foundation for entrepreneurial decisions and actions. A firm's behavior is the most crucial and central idea of entrepreneurship; as a result, researchers have shown an interest in investigating entrepreneurial orientation (Slevin, A conceptual model of entrepreneurship as firm behavior, 1991).

Previous studies have proven that for the organizations success, entrepreneurial orientation plays a key role and leads to higher performance (Covin, Contextual influences on the corporate entrepreneurship-performance relationship: A longitudinal Analysis, 1995). It has been observed that firms with higher level of entrepreneurial orientation performed far better than those with lower entrepreneurial orientation.

By achieving higher levels of entrepreneurial orientation, the firm is able to identify the opportunity and capitalize on it, thereby gaining competitive advantage which distinguishes it from a non-entrepreneurial firm (Slevin, A conceptual model of entrepreneurhsip as firm behavior, 1991).

Dimensions of Entrepreneurial Orientation

For the first time, Miller introduced the specific dimensions of EO and according to him, an entrepreneurial firm engages in the innovation process, takes risks, behaves proactively, and outperforms competitors aggressively.

The various dimensions of entrepreneurial orientation are discussed below:

1. **Innovation**: According to Schumpeter, entrepreneurship is an economic process of creative destruction by which wealth is produced. Existing markets structures are interrupted by the introduction of new products that utilize the resources of old firms and cause the expansion of new firms. This innovative behavior of the entrepreneur is seen by Schumpeter as the main cause of change in the economic system. Drucker has proposed that innovation is a process for entrepreneurs to produce new products with new business opportunities. Covin & Miles has suggested that innovation is the firm's tendency to come up with new ideas, conduct various tests, and outperform competitors. Innovation and creativity are inherent characteristic of entrepreneurs and reflects firm's desires to develop methods which may lead to development of new product or opportunities and enhancement of technological processes.

2. **Proactiveness**: Proactiveness is considered as a progressive perspective with which entrepreneurs have the foresight to act in anticipation of future demands (Anggraeni, 2009). According to (Dess, Clarifying the entrepreneurial orientation construct and linking it to performance, 1996), proactivity is important because it proposes progressive actions. Proactiveness is achievement orientated, emphasizing initiating actions while anticipating change and early preparation, before any uncertainty occurs. On the same lines (Andreas Rauch J. W., 2009) have suggested that Proactiveness is about looking to the future and having an opportunity seeking perspective which enables the firm to introduce new products and services far ahead of their competitors and to act in anticipation of future demands. According to (Hisrich, 2001) Proactiveness is the extent to which organizations attempt to lead

rather than follow competitors in the key business areas such as introduction of new products and services, operating technologies, and administrative techniques.

3. **Risk-taking**: Risk taking is a concept often associated with entrepreneurship. According to Richard Cantillon entrepreneurs are those persons who are responsible for juggling the risk of profit and loss. The concept of risk taking revolves around entrepreneurs and entrepreneurship as a central theme. According to existing research, risk taking is an important dimension of entrepreneurship within an existing firm (Slevin, Strategic management of small firms in hostile and benign environements, 1989). The 20th century has seen entrepreneurs as risk taking individuals, and even (Christopher J. Collins, 2004) has suggested that all theories of entrepreneurship involve the concept of taking risk of some kind. Risk is generally seen as uncertainty with a possibility of loss which is an important characteristic of innovativeness, new business formation, and proactive or aggressive actions of the firms. Risk taking dimensions include levels of risk reflected on decisions pertaining to resource allocation, financial choices, new markets or new product choices in a certain way (Anggraeni, Firms startegic orientation in business network, 2009). Lumpkin and Dess have suggested that organizations that have an entrepreneurial orientation are normally characterized by risk taking behavior that include greater financial commitment, and forward-thinking to obtain higher results through market opportunity. As defined by Baired & Thomas risk comes in three different types:

- Venturing into the unknown

- Committing substantial resources

- Borrowing heavily.

Recent research has suggested that entrepreneurs are more likely to be engaged in risk-taking activities than non-entrepreneurs.

4. **Competitive Aggressiveness**: Competitive aggressiveness is considered a firm's ability to outperform their competitors. It is generally seen as a combat attitude or responding aggressively to defeat threats and seeking better positions in the market. It is considered a strong offensive stand for defeating competition (Gregory G. Dess, 1997). Lumpkin and Dess suggested it may be seen as a threat response. Competitive aggressiveness is used to describe a company that allocates its resources in such a way that they gain a better position in the market, faster than their competitors (Anggraeni, Firms strategic orientation in business network, 2009). Competitive aggressiveness is usually associated with the use of non-conventional competitive methods over traditional or reliable ones (Dess, Clarifying the entrepreneurial orientation construct and linking it to performance, 1996). (Rosemond Boohene PhD, 2012) suggested that competitive aggressiveness is about using the market environment in one's favor proactively and responding aggressively to the competitor's challenges. Lumpkin and Dess have argued that Proactiveness and Competitive Aggressiveness are the distinct concepts which are related to the organizational performance. They have suggested that Proactiveness is about a response to opportunities whereas Competitive Aggressiveness is about response to threats. A firm can have both Proactiveness and Competitive Aggressiveness but may vary in the degree they have either.

5. **Autonomy**: Autonomy refers to the ability of teams and individuals to think and act independently without any organizational constraints. Autonomy refers to freedom of creativity and its implementation. (Amie Kusumawardhani, 2009) has suggested that autonomy encourages employees to work in a more interactive fashion which results in better performance. Firms cannot function smoothly without giving autonomy to their employees. There is an alternative view of autonomy found in literature which puts emphasis on formal structure and autocratic leadership and control by superiors. In this structure, leaders are dependent on their authority and power which comes from their formal designation or by being an owner of the

business. According to (Mohammad Arief, 2013), entrepreneurial firms have autonomous leaders, which lead to the conclusion that small firms often have autocratic structures where decisions will be driven by one person.

2.6   Leadership and Entrepreneurial Behaviour within in Small Businesses

Emerging studies recognize the importance of harnessing human potential and effective leaders within small to medium size enterprises. These studies enable the enterprise to respond to unstable business environment that they operate in. Small businesses attain sustainable performance by empowering their human resources. Previous research studies have revealed that a firm's strategic flexibility, organizational performance, and effectiveness depend on the effective leadership of the enterprise. The extensive literature of EO and Leadership shows how leadership influences a firm's innovation capability, risk taking, the employee's proactive behavior and how employees embrace entrepreneurial attitudes and behavior.

2.7   Entrepreneurial Orientation and Organizational Performance

According to past researches, there is a relationship between entrepreneurial orientation and organizational performance. Previous studies have shown that entrepreneurial orientation is directly or indirectly linked to a firm's performance (Shepherd, 2005).

These studies indicate that a firm that adopts an entrepreneurial orientation performs better than one that lacks entrepreneurial orientation. According to (Koe, 2013), entrepreneurial orientations vary significantly.

According to (Douglas W. Lyon, 2000), there are challenges in measuring the strength of the relationship between entrepreneurial orientation and performance due to problems associated with operationalization and measurement of entrepreneurship.

Lumpkin and Dess recognized that there are a number of potential internal and external factors that potentially compound the effects an entrepreneurial orientation has on performance. Wiklund and Shepherd have reviewed these environmental influences in their studies and found that performance could be better explained using a configuration approach. There are certain elements of strategy, structure, process, and environment

which tend to cluster together to form this configuration. This approach showed the importance of internal and external factors in terms of their impact on a firm's performance.

Table 2: The Difference between Management and Leadership

Management	Leadership
Planning and Budget • Establishing agendas • Setting time-lines • Resource allocation	Setting Directions • Creating the vision • Clarifying paths /goals • Creating strategies
Organizing & Staffing • Creating the organizational structure • Establishing rules & regulations • Human resource planning	Aligning Human Resource • Communicating goals • Seeking commitment • Building teams
Controlling & Problem Solving • Developing reward structures • Generating creative solutions • Taking corrective actions	Motivation & Inspiration • Inspiring and energizing • Empowering sub-ordinates • Satisfying unfulfilled needs of followers

The study of leadership can be traced all the way back to Aristotle's management concepts. Management was put in place to reduce organizational chaos and ensure effective and efficient operations. Foyol first identified the primary functions of management as planning, organizing, staffing and controlling. (Lunenburg, 2011) suggested that management and leadership concepts are quite dissimilar. Management is about seeking orders and providing consistency to the organizations whereas Leadership is about seeking adaptive and constructive change management process. For an effective organization, the focus should be on building competent management and skilled leadership. Bennis and Nanus in past have made the distinction between the management and leadership and quoted that "Managers are people who do things right and Leaders are people who do the right things".

2.8   Organizational Performance

In today's economic environment, measuring business performance has become a critical issue for researchers and industries. In general, business performance is defined as organization's operational efficiency in meeting the desires of its stakeholders (Zulkiffli, 2014) and this should be considered a measure of assessment for the company's accomplishments.

In general, business performance is measured by indicators such as profits, return on investment, customers, quality, and product improvement. SME enterprises are generally reluctant to provide actual financial numbers and researchers often have to deliberately rely on subjective measures when evaluating business performance.

Subjective v/s Objective Organizational Performance Measures:

It is evident from previous research that subjective measures are preferred over objective measures due to difficulty in obtaining objective financial data. Studies are particularly susceptible to such difficulties. Such difficulties also evident from analyzing privately held organizations (Jr, 1984).

Subjective measures are an effective way of measuring business performance, as they allow comparisons across organizations and industry cultures (Perera, 2011). Using subjective measures, managers can compare their performance to the industry they are operating in, and then respond appropriately (Dawes, 1999).

It has been observed in previous studies that SME owners/managers often manipulate data. Manipulations of this sort can be controlled using subjective measures as SME owner/managers often treat objective performance measures as confidential and they keep this data away from outsiders.

Table 3: Difference between Subjective and Objective Measures of Performance

Differentiation Aspect	Subjective Measures	Objective Measures
Indicators	Focus on overall business performance	Focus on actual financial performance
Measurement Standard	Key people of the organization are asked to rate performance relative to their competitors or industry	Key people of the organization are asked to provide absolute financial data. (Example. Profit, ROI etc...)
Scales	Rating scales were used such as ("very good to very poor" / "much lower to much higher" or even "worst in industry to best in industry" etc...)	Scales are not used here as exact absolute data is acquired

[Source: Adapted from Dawes 1999, Wall et.al. 2004 & Kim 2006]

2.9 SMEs in INDIA

SME's are essential components for the development of any country, even more so for developing countries like India. SME's play a key role and operate as the back bone of the national economy.

It has been observed from previous studies that SME's in emerging economies rely more on labor intensive process when compared to large enterprises. They help in generating employment leading to more fair income distributions (Kongolo, 2010). It is also evident from past studies that supporting and nurturing the SME's result in income and employment generation.

In India, SME's have made many significant contributions to the economy (Goyal, 2013). They are:

- Employing about 40% of country's workforce

- Contributing 45% to country's manufacturing output

- Accounting to 40% of country's total exports

SME's are able to make their presence felt because of their simple and loose structure and their ability to proactively adapt to the changing economic and environmental conditions. They are also capable of meeting customer demands, which are dynamic and constantly changing.

According to CRISIL, Indian SMEs are the big growth engines for the Indian economy. Sometimes, these SMEs grow very rapidly and establish themselves as big companies, or sometimes fail shortly after inception.

A definition of SME's in India:

In India, there has been a lot of talk about small scale industries. But with the enactment of Micro, Small and Medium Enterprises and Development (MSMED) Act, 2006, the Small and Medium (SME) sector has emerged which has replaced the SSI. Like any other developing nation, SME's in India play a vital role in terms of employment generation, fostering entrepreneurial environment and building growth by contributing to nation's economy by exports.

According to SME white book 2011-2012, the MSME sector has consistently registered a growth higher than rest of the industrial sector. A significant number of MSME depends upon agriculture, horticulture, forest and non-forest produces. They help generate employment in rural areas thereby avoiding migration to urban areas which result into burden free tier 1 and tier 2 cities in India.

According to MSMED Act 2006, SME's in India are not defined by the number of employees, but on the amount of investment. Indian SMEs are labor intensive and employ more than the prescribed workers as defined by European countries. Indian SMEs are considerably different from those in Europe. In fact most Indian SMEs don't fall under the SME category as defined by the European countries.

As per the MSME act 2006, MSMEs are defined on the basis of investment in plant and machinery for manufacturing companies, and investment in equipment for service based companies. The defined limit on investment for enterprises to be categorized as MSME is as follows:

Table 4: Classification of Micro, Small, Medium, Enterprises per MSMED Act, 2006

Classification	Investment Ceiling for Plant, Machinery or Equipments*@	
	Manufacturing Enterprises	Service Enterprises
Micro	Upto Rs.25 lakh ($50 thousand)	Upto Rs.10 lakh ($20 thousand)
Small	Above Rs.25 lakh ($50 thousand) & upto Rs.5 crore ($1 million)	Above Rs.10 lakh ($20 thousand) & upto Rs.2 crore ($0.40 million)
Medium	Above Rs.5 crore ($1 million) & upto Rs.10 crore ($2 million)	Above Rs.2 crore ($0.40 million) & upto Rs.5 crore ($1 million)

* Fixed costs are obviously higher.

[Source: MSME Overview, Govt. Of India, 2012]

Importance of SME's in the Indian Economy:

It is evident that SMEs play a pivotal role in the development of economies with their effective, efficient, flexible and innovative entrepreneurial spirit. In India, SMEs have always played a key role in driving the economy of the country and they contribute about 17% to its GDP. This sector has the largest share of innovation and is the second largest employment generator after the agriculture sector. This uniqueness of SME's makes them crucial to sustain a nation's growth. Statistics reveal that the SME sector has contributed significantly to the nation's economy. The graph below shows the contribution of SME's to the Indian economy in measures such as contribution to GDP, Employment generation, Total exports compared to Industrial output, etc.
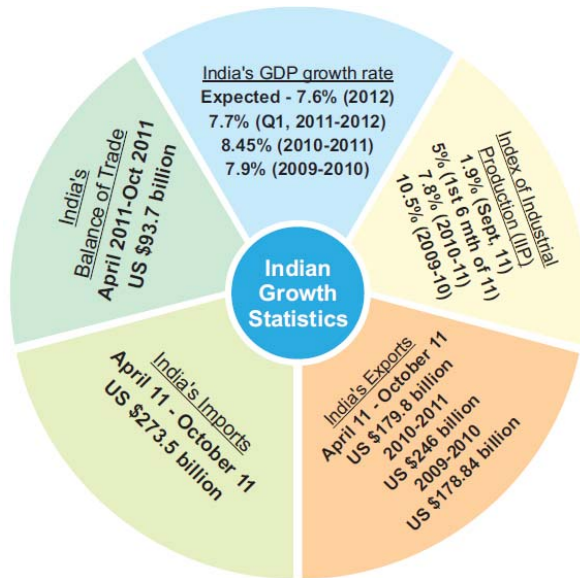
Figure 1: Statistics of Growth of Indian SME's
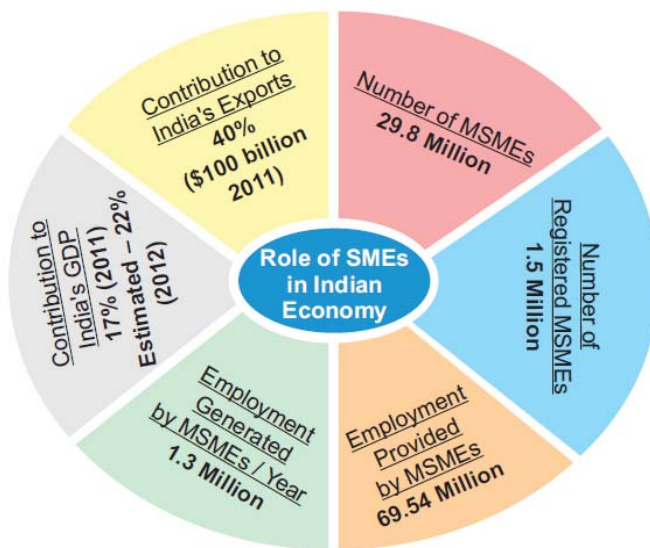
Figure 2: Role of Indian SME's towards Nations Economy

[Source: SME chamber of India, Manufacturing Summit, 2012]

Role of SME's in India's Manufacturing Sector

Indian SMEs operating in the manufacturing sector drive the innovation and contribute around 45% to India's industrial output but are facing stiff competition in both domestic and international markets. They have become competitive enough to enhance their

operational capabilities by adopting the latest technologies. Although inflationary pressures, high borrowing costs and market volatility have slowed down the SME sector, they are not only fighting back, but also sustaining and growing, which is fueling the growth of the nation. The table below displays the facts about the manufacturing SME's in India.

Table 5: Contribution of Manufacturing SME's in Indian Economy

Number of MSMEs in Manufacturing Sector	28.56% (8.51 Million)
Employment provided by Manufacturing MSMEs	39.8 Million (Approx)
Contribution to India's Industrial Output	45%
Total Products Manufactured by MSMEs	8000+

[Source: SME chamber of India, Manufacturing Summit, 2012]

The Indian government has assisted these SMEs by making a mandatory clause for government and public sector companies to procure 20% goods from the MSMEs. This has resulted in creation of numerous opportunities, which the manufacturing SMEs can tap into and serve the needs of the domestic market.

SME's in Pune

About Pune

Pune is considered as one of the most cultured city of Maharashtra. The city is also known as 'Oxford of the East'. The city has numerous way old educational setups such as Government College of Engineering Pune and Fergusson College.

Pune has established itself as one of India's major industrial hub. The city has dominance of automobile and IT companies. Other major manufacturing sectors in Pune are steel, fabrication, biotechnology, pharmaceutical and other allied products.

Demographics

Pune's population ranks third in the state as per the 2011 census. Pune has a population of more than 9.4 million and population density of 603 people per square km. The growth rate of Pune's population is around 30.34% from 2001 to 2011.

MSME Scenario

Pune's MSME plays a crucial role in the development of district and contribute to Maharashtra states economy. According to MSME Development Institute-Mumbai's report 2012-13, the micro enterprise constitutes around 79% of the total MSME strength of Pune whereas small enterprises are only around 20% and medium constitutes less than 1% of the total MSME strength of Pune.

Pune's MSME has employed over 148,098 people, with micro enterprises employing 59% of the total MSME employees and small enterprises were employing 33% of the total employees.

Labor and HR Trends in Pune SME's

According to Dun and Bradstreet a consulting and research organization, availability of human resource is moderately easy due to big industrial setup of Pune and numerous educational institutions. But it has been revealed from the study getting the managerial talent is still a herculean task for this labor intensive industry.

Also it has been studied that the cost of labors are more reasonable in Pune as compared to others locations such as Chennai, Bangalore and Mumbai.

Leadership in Indian SME's

Leadership is particularly important for Indian SMEs because they are characterized by unity of ownership, liability, and risk. It is evident from several reports that these SME enterprises are often owned and managed by one person or a tightly knit group of people. The owner entrepreneur has enormous autonomy in all the decision making matters. Here the ownership and management rests with the same person. This places a premium on

their quality of leadership when compared to giant companies, where leadership is a lot more shared, dispersed and institutionalized.

Leadership is important to create an environment where SMEs can operate with optimum efficiency. The factors listed below play a key role in defining the leadership of Indian SMEs:

- Greater clarity in defining a role of subordinates

- Direction during crisis

- Organizational design

- Leadership style adopted by the leader

On the basis of above mentioned factors, a leader can build a good and sustainable SME enterprise (Chella, 2008).

2.10   Research Gaps

This chapter has presented and discussed the literature relating to leadership styles, entrepreneurial orientation and organizational performance. From an examination of the literature following major research gaps has been emerged with respect to Pune manufacturing SME's and they will be explored in this thesis:

- What demographics influence leadership styles and entrepreneurial orientation of owners-managers of manufacturing SME's in Pune?

- What is the component hierarchy of different leadership styles practiced by owner/managers of manufacturing SME's in Pune?

- What is the component hierarchy of entrepreneurial orientation practiced by owner/managers of manufacturing SME's in Pune?

- What are the effects of Pune's manufacturing SME owner/managers leadership styles on organizational performance?

- What are the effects of Pune's manufacturing SME owner/managers entrepreneurial orientation on organizational performance?

- What relations exist between leadership styles, entrepreneurial orientation and organizational performance in context of manufacturing SME's of Pune?

There is a lack of research into SME owners/managers leadership styles and entrepreneurial orientation. Owners/managers of SME's are very important for Pune's industrial growth and thereby the State's and Nation's growth. This led the researcher to investigate the leadership styles and entrepreneurial orientations of Pune SME owners/managers. Different leadership styles or combinations of these styles owners/managers encourage their staff to achieve the set organizational goals. This led the researcher to investigate which leadership styles most impact performance. Therefore the researcher selected the MLQ (Multifactor Leadership Questionnaire) developed by Bass and Avolio to measure the leadership styles of owners/mangers of SMEs. This led the researcher to measure the entrepreneurial orientation of owners/managers using references from (Lumpkin and Dess, Amie Kusumawardhani and Christian William Callaghan) measurement scales of entrepreneurial orientation. This research is focused on leadership styles and entrepreneurial orientation because there are several studies on individual aspects of these around the globe, but these studies lack research with respect to a specifically Indian context. We will be considering leadership styles and entrepreneurial orientation in combination with organizational performance. This led the researcher to also measure organizational performance as a means of studying the influences of leadership styles and entrepreneurial orientation on it.

3.   Research Methodology

3.1   Introduction

The sole objective of this quantitative study was to assess whether leadership styles and entrepreneurial orientation (i.e. independent variables) significantly impact measures of organizational performance such as process performance, supplier relationship performance, people performance, and customer relationship performance(i.e. dependent variables). The study involved an investigation into whether age, qualification, gender, experience and designation significantly impact the leadership styles and entrepreneurial orientation.

This chapter highlights the following points of discussion:

1. Research design and approach

2. Population, sample, and setting plan

3. Appropriateness of design

4. Ethical protection of participants

5. Plan for Primary Data Collection

6. Data collection and analysis

7. Measurement Instruments (Reliability and Validity)

8. Research Questions and Hypothesis

The chapter will also include a discussion on the usefulness of the study to the field of management, leadership and entrepreneurship.

3.2   Research Design and Approach

The study involves descriptive research, which is often called statistical research. This helps to answer questions such as who, what, where, when and how. Thus considering the

requirements of this study, this particular research design was more appropriate for the current study.

Descriptive study is often used to validate current practices and make verdicts or conclusions. For this particular study descriptive research was used to obtain a picture of owners/managers leadership styles and entrepreneurial orientation with a view that it is impacting organizational performance.

For this study structured questionnaires were used with specific parameters to keep focus on the desired subject using five point likert scales. Considering the time dimension of the research project, this study involves a cross-sectional study which measures sample units from the population at only one point in time. This cross-sectional study is representative of a population and hence it can also be named a sample survey.

The study included a statistical approach to process and analyzes the quantitative datasets to either reject or not to reject the hypothesis.

3.3   Population, Sample and Setting Plan

The population is the togetherness of all the elements that has or shares some common characteristics and which subsequently includes the universe for the ultimate purpose of the research problem. In the current research study, the population is finite and comprises only of all owners and managers of Micro, Small and Medium enterprises in the manufacturing sector in the Pune region of Maharashtra. This study took place in the Pune region of Maharashtra, where the population consists of various industrial clusters such as (Sinhgad/Dhayari, Katraj, Paravti, Hadapsar, Hinjewadi, Bhosari, Pimpri-Chinchwad, Tathwade, Sanaswadi, and Chakan).

Sample Element

The sample element in the current study is owners/managers of MSME organizations from whom the information is sought.

Sample Unit

The Unit of Analysis in the present study is the Micro, Small and Medium enterprise in the manufacturing sector in the Pune region which contains the sample element (i.e. owners/managers).

In the current research study, the sample is from Pune which is a manufacturing hub, growing rapidly with heavy industrialization. This is happening due to enterprises from across the world are setting up their manufacturing facilities over here and competition.

Table 6: Sample Units Surveyed for Study

Sr. No.	Enterprise Category	No. of Units
1	Micro	240
2	Small	55
2	Medium	5
Total		300

Sample Size

The sample size was determined using sample size determination through the mean method. The mean method was used because variables in the study were measured using a 5-point measurement scale. The formula for the same is given below:

$$N= (z^2 * s^2) / e^2$$

Where,

Z= is the standard score associated with confidence level (95% in the current case). Hence standard scores equal to 1.96(borrowed from normal table)

S=is the variability in the data set, computed as a ratio of range/6.Range is equal to 5-1=4(the difference between minimum and maximum value in the 5

point scale). 6 refer to ± 3 standard deviation values on the X axis of the standard normal curve, which takes in all the data set in study.

Hence range=4/6=0.66

E is the tolerable error= 8 %(in current study)

So sample size n= $1.96^2 * 0.66^2 / 0.08^2$

Hence n=261

So as a buffer we have considered sample size to be 300.

Sampling Criteria

The sampling criteria included the following

- The organization should be a manufacturing organization.

- The operation must use power or manual machines or equipment in its operation.

- The organization must be located in or be in close proximity to the Pune region.

- The company must be using locally sourced raw material as its major input.

Sampling Procedure

The probability sampling technique involved in this study is a two stage cluster sampling method. Thus the method is employed to select respondents in a random fashion according to the following steps: first we consider all the industrial areas as clusters and at first stage of cluster sampling we have chosen 6 cluster randomly out of total clusters and then using the two stage clustering formula, (where the total sample size of 300 is divided by the average number of samples) we would select from each cluster (which is 50). Thus it gives us an opportunity to deal with 6 clusters which we have chosen randomly to select the required samples 50 each from these clusters. This is done to ensure adequate and equal chance of respondents to get selected in the study.

Sampling Frame

The study will be conducted in the Pune district of the state keeping in mind the time and cost involved in collecting data. Therefore, the sampling frame was developed from three sources:

- Directory of MSMEs provided by District Industries Centre.

- Directory of Mahratta Chamber of Commerce and Industries.

- Directory of Maharashtra Industrial Development Corporation.

Sample Extent

The Industrial Scene of Pune- The various companies in The Pune region are engaged in manufacturing auto components, locomotives, agro-based products, electronic consumer durables, pharmaceuticals, chemicals and IT software among others. Companies like Philips India, Mahindra and Mahindra, Mercedes Benz India Ltd., Alfa Laval, SKF Bearing etc. are some of the large-scale companies located in and around Pune. Pune also has dedicated IT and Bio-Tech Park in its proximity.

The Pune MSME Scene- MSME's in the pune district have played a key role in the economic development of the region. According to the MSME development Institute of Mumbai's Annual report the Pune district had 27683 MSME's, out of which 21,763 were micro enterprises, 5818 were small enterprises and 102 were medium enterprises.

According to the sampling procedure we have to drill down to select 6 clusters at random from all the available clusters, thus the cluster we have chosen randomly are from Sinhgad/Dhayari, Katraj, Paravti, Hadapsar, Bhosari, and Pimpri-Chinchwad geographical region of pune considering time and cost with respect to the current research study.

Sample Duration

The time taken to complete the interview process of all the required sample elements (i.e. respondents) took 3 months' time.

3.4   Appropriateness of Design

A quantitative design was the appropriate design for this current study because it helps to explain the phenomenon by collecting numerical data which will be analyzed using mathematical methods in particular (statistics).The appropriateness of the design is based following factors:

- Research should demand a quantitative answer.

- Numerical change can accurately be studied only using quantitative methods.

- Wanting to find out about a state where we often want to explain some phenomena.

- The final activity because of which we adapt to quantitative research is hypothesis testing.

The study involves independent variables (leadership styles and entrepreneurial orientation) and dependent variables. These are measures of organizational performance such as process performance, supplier relationship performance, people performance, and customer relationship performance. As noted the purpose of the study is to examine and assess whether leadership styles and entrepreneurial orientation significantly impact organizational performance. The study also examines how independent variables (gender, age, qualification, experience, designation) influence the dependent variables, which are leadership styles and entrepreneurial orientation. The approach in this study helps out in understanding and determining how dependent variables behave with respect to the independent variables. Therefore the quantitative research design was an appropriate design for this research.

3.5   Ethical Considerations in the Research

Ethical issues are of prime importance in social science research. Important ethical considerations in social science research. Include issues such as Participating Voluntarily, Respecting Participants Integrity, Anonymity and Confidentiality, Avoiding Deception and Fair Reporting. A brief discussion on these ethical factors in the current research study is presented below.

Participating Voluntarily

The major issue in social science research is that participation of respondents in the research should be voluntary and no one should be forced to participate in the research. As the respondents participating in the survey had to fill a long questionnaire, they were briefed on the objectives of the research and assured of confidentiality of data to motivate them to participate voluntarily. The data was been collected by making personal visits to the respondents and those respondents who are not willing to participate are not included in the study.

Respecting Participants Integrity

No personal questions were asked to the respondents. The study was focused on organization-specific questions rather than those involving respondent's personal matters. Research instrument had no questions that lead to embarrassment/harm to the participants.

Anonymity and Confidentiality

In the current study the respondents were assured of confidentiality of the data provided by them. However, since the data has to be collected through personal interview by visiting their organization and not through some other means of survey, identity of the respondent was revealed to the researcher, hence the anonymity was not ensured. The respondents were assured that the data would only be used for generalization of the observation and no specific mention of their company name or brand would be revealed in the research report or in results.

Deception

When visiting the organization the researcher has provided the identity and affiliations of the concerned university and school of study to reveal the purpose of the visit. In this case the university is Tilak Maharashtra Vidyapeeth. The data was collected only after briefing the respondents about what data is required for the study and how it will be used.

3.6 Plan for Primary Data Collection

Research Technique

The research technique chosen for the current study is surveys, as they involve the collection of information from sample elements through their responses to questions. Survey data can be collected from many respondents at relatively low cost without substantially increasing the time. Survey methods lend themselves to probability sampling from large population. Thus the survey research technique is a very attractive option when sample generalizability is a core research objective. In fact, the survey research technique is the only option to develop the bigger picture of attitudes and characteristics of a larger population.

Contact Method

An in-person interview method was adopted for the current research study, as it involves face-to-face social interaction between the respondent and the researcher. This method has given the best response rate; the reason is the researcher has complete awareness of the respondent's situation. This allows the researcher to have more control on interview process. The good part of this method is the researcher can monitor the physical and social circumstances; and the respondent's answers can be probed and clarified if needed.

Research Instrument

A survey research questionnaire was used in the current research study to collect the data. While preparing the questionnaire for the survey it has kept in mind that the focus of the questionnaire should be towards the research problem under investigation. Thus it becomes the primary basis for selecting which questions should be included in the research questionnaire and which should be excluded. The questionnaire has been designed using precisely and neatly written close ended questions, which gives an opportunity to process and analyze them statistically. For writing the responses of close ended questions a likert rating scale (5 points) has been used which generally asks respondents to indicate the extent to which they agree or disagree with the statements in the questionnaire.

3.7   Data Collection and Analysis

Data Collection

The data collection process has been carried out for both the pilot and the final survey.

Pilot study for survey: A pilot study was conducted to detect weaknesses in the design and instrumentation and provide the sample data for statistical analysis. It was found that the reliability and validity of the instruments were good. On the other hand the instrument was tested on the following fronts:

- The wording of the survey questionnaire

- The questionnaire completion time

- The layout of the survey questionnaire

Final Survey: The complete survey was conducted with an expected sample of 300 respondents. The 300 paper based questionnaires were used by the researcher to collect the data. The researcher has completely adhered to the ethical guidelines mentioned in the ethical considerations in research. In the final survey, all respondents were given the questionnaire with an introduction letter of from the researcher which briefed them about the researcher's identity and the university under which the research was going on. Before they decided to be a part of this research study the researcher told them that the survey was anonymous and complete confidentiality would be taken care off. Respondents were also assured that they would have complete rights to withdraw from the survey at any point of time. The researcher took about 3 months' time to collect the data from 300 respondents.

Analysis

To analyze the collected data from respondents, the researcher has used various statistical tests which are explained below.

1. **Descriptive Statistics:** The purpose of the descriptive statistical analysis in this current research study is to describe the data we have. To make sense of our large data we have chosen graphical descriptions and numerical descriptions. In terms

of graphical description we have chosen pie charts and histograms. Pie charts are standard when the numbers of categories are small, as is the case in our research study. In pie charts the pie represents the entire population and slices represents the categories with the size of each slice being proportional to the relative frequency of the corresponding category. Histograms were used to describe numerical continuous variables with class intervals in our study. These tell us what will happen to a value that falls exactly on the boundary between the two class intervals. A numerical description of data can be explored using numerical summaries of descriptive statistics test such as mean, std. deviation, frequency, skewness and kurtosis.

2. **Friedman test:** The Friedman test is a non-parametric test which is used for testing the difference between several related samples. The Friedman test is a nonparametric alternative to a one-way within-subjects ANOVA that does not require that your DV be normally distributed within each group and does not require that you have sphericity. The Friedman test can tell us if there are any significant differences among the medians of two or more groups (Jamie Decoster, 2006). The null hypothesis for the Friedman test is that there are no differences between the variables. If the calculated probability is low (P is less than the selected significance level) the null-hypothesis is rejected and it can be concluded that at least 2 of the variables are significantly different from each other. In Friedman test a table is displayed showing which of the variables are significantly different from which other variables. In our research study the variables are from leadership styles and entrepreneurial orientation.

3. **Wilcoxon Matched Pair Signed Ranks Test:** The logic behind the use of the Wilcoxon test is; the data are ranked to produce two rank totals, one for each condition. If there is a systematic difference between the two conditions, then most of the high ranks will belong to one condition and most of the low ranks will belong to the other one. As a result, the rank totals will be quite different and one of the rank totals will be quite small. On the other hand, if the two conditions are similar, then high and low ranks will be distributed fairly evenly between the two

conditions and the ranks totals will be fairly similar and quite large (Lowry 2011). In the current research study we are dealing with transactional leadership (management by exception-active and contingent reward) and passive-avoidant leadership (management by exception- passive and laissez-faire) where the rank total of each condition was produced and tested.

4. **MANOVA (Multivariate Analysis of Variance):** The purpose of multivariate analysis of variance (MANOVA) is to determine whether multiple levels of independent variables on their own or in combination with one another have an effect on the dependent variables. In the current research study we have tested whether independent variables (Age, Gender, Experience, Qualification, and Designation) have an effect on dependent variables (Transformational Leadership, Transactional Leadership, Passive-avoidant Leadership, and Entrepreneurial Orientation). A MANOVA examines the degree of variance within the independent variables and determines whether it is smaller than the degree of variance between the independent variables. If the within subjects variance is smaller than the between subjects variance it means the independent variable has had a significant effect on the dependent variable.

5. **Spearman Rank Order Correlation:** Spearman rank correlation is used when we have two ranked variables, and we want to see whether the two variables covary; whether, as one variable increases, the other variable tends to increase or decrease. Thus it is a test for a rank order relationship between two quantitative variables when one or both variables is ordinal (rather than interval) and/or not normally distributed or when the sample size is small. In the current research study we have studied the correlation between leadership styles, entrepreneurial orientation and organizational performance (Jan Hauke, Tomasz Kossowski, 2011).

6. **Structure Equation Modelling (SEM):** SEM is generally used to answer a specific research question which involves the indirect or direct observation of one or more independent and dependent variables. The primary objective of SEM is to determine and test the validity of a proposed casual model. Therefore, SEM

uses a confirmatory technique. Like other tests/models, we have a sample and we want to say something about the population which comprises the sample. We have a covariance matrix to serve as our dataset, which is based on the sample of collected measurements. The empirical question of SEM is therefore whether the proposed model produces a population covariance matrix that is consistent with the sample covariance matrix. Because one must specify an a priori model that will undergo validation testing. SEM can tell us whether our model is adequate or not. Parameters are estimated and compared with the sample covariance matrix. Goodness of fit statistics can be calculated which will tell us whether our model is appropriate or needs further revision. SEM can tell us if the amount of variance in the dependent variables (DVs) – both manifest and latent DVs – is accounted for by the IVs. It can also tell us the reliability of each measured variable. And, SEM also allows us to examine mediation and moderation, which can include indirect effects. In the current research study the casual model has been studied between leadership styles and organizational performance, entrepreneurial orientation and organizational performance.

3.8   Measurement Instruments

Three instruments were used in this research, namely the MLQ (Multifactor Leadership Questionnaire), the Entrepreneurial Orientation and the Organizational Performance. These instruments are now discussed in detail below.

The MLQ

After an extensive review of the literature on leadership, it was argued that the Full Range Leadership Development Theory is an appropriate theoretical construct of leadership for this research. Following widespread research on the topic of transformational and transactional leadership, an appropriate instrument was identified. This instrument is called the MLQ. It was developed by Bass and Avolio (1997). The questionnaire contains 36 statements that identify and measure the key aspects of leadership behavior and each statement in the questionnaire relates to a transactional, a transformational or a passive-avoidant leadership style. The respondent is required to

judge how frequently the behavior described in the statement is exhibited. The MLQ uses a scale of 0 to 4, with 0 indicating a "not at all" rating of the behavior described in the statement. The other end of the scale, 4, indicates a "frequently if not always" rating of the behavior described in the statement. The leaders (in the current research study they are owners/managers of SME's) complete a questionnaire describing their own leadership style.

This study attempted to obtain a holistic view of each leader's leadership style. The leader respondents were asked to complete the MLQ leader version by scoring each individual question on a scale from 0 to 4. The MLQ questions for the leaders are provided in Appendix D.

Reliability and Validity of the MLQ

Reliability and validity are two of the most important aspects to be considered while formulating the instrument. Reliability and validity are the statistical criteria used to assess whether the research provides a good measure. Reliability for leadership style was tested using Cronbach's alpha, it is widely used to study whether items of a construct get along with each other well or not. A Cronbach's value of more than 0.7 indicates sufficient internal consistency among items of a construct.

The reliability of the three main leadership styles, namely transformational, transactional and passive-avoidant leadership, were determined using Cronbach's alpha reliability coefficients. Results yielded the following scores: 0.810(items=20), 0.721(items=8) and 0.782(items=5) respectively. The results indicated that the MLQ was reliable and viable for use.

To assess the validity of MLQ, construct validity was chosen, where construct validity tells us the extent to which a set of measured items actually reflect the theoretical latent construct they are designed to measure. Further the construct validity is measured using two types which are mentioned below:

- Convergent Validity:

    ➢ Factor Loadings: The size of factor loading is an important indicator of convergent validity. Factor loadings that are significant with loading values above 0.5 indicate convergent validity.

    ➢ Average Variance Extracted: Average variance extracted is another important indicator of construct validity. As a rule of thumb AVE of 0.5 or higher suggest adequate convergence.

    ➢ Composite Reliability: Composite Reliability (alpha) is one of the most widely used measures of internal consistency in structural equation modelling. If items correlate well they are said to be measuring the same construct. Alpha value above 0.6 indicates adequate reliability for a construct.

- Discriminant Validity: Construct model should be unrelated. Discriminant validity assesses the extent to which a construct is truly distinct from the other constructs in the model. High discrimination validity provides evidence that a construct is unique and different from the rest and have phenomenon that other measures do not. Discriminant validity exists if the average variance extracted is greater than r2 between two constructs. Put in a different way, the square root of AVE should be larger than the correlations between the constructs.

In the current study any items showing a poor factor loading of way below 0.5 thresholds have been removed, thus only factors which are above 0.5 or close to threshold have been considered. The Composite reliability of transformational (0.795), transactional (0.752) and passive-avoidant (0.926) leadership are above 0.6. The average variance extracted is moderate in all cases. The discriminant validity is showing good discrimination among the different constructs.

The Entrepreneurial Orientation

The definition of Entrepreneurial Orientation was adapted from (Coven & Slevin, Lumpkin & Dess, Amie Kusumawardhani and Christian William Callaghan). The adaptability of the instrument made the instrument ideal for the purpose of this research.

The Entrepreneurial Orientation is an important characteristic of any entrepreneur when functioning in a dynamic business environment.

The Entrepreneurial Orientation was used to determine the business orientation of the owners/managers within SME's. The questionnaire contains 23 statements that identify and measure the key factors of entrepreneurial Orientation. The questionnaire covers factors such as autonomy, innovativeness, risk-taking, Proactiveness, and competitive aggression. The Entrepreneurial Orientation instrument uses a five-point Likert scale to measure current entrepreneurial orientation.

The scale consists of 1 to 5, with 1 indicating a "Completely Disagreed" rating of the orientation described in the statement. The other end of the scale, 5, indicates a "Completely Agreed" rating of the orientation described in the statement. The leaders (in current research study owners/managers of SME's) completed a questionnaire describing their own entrepreneurial orientation.

This study attempted to obtain a holistic view of each owner/manager's entrepreneurial orientation. The respondents were asked to complete the questionnaire by scoring each individual question on a scale from 1 to 5. The entrepreneurial orientation questions for the owner/managers of SMEs are provided in Appendix E.

Reliability and Validity of the Entrepreneurial Orientation

The reliability of the Entrepreneurial Orientation instrument was measured using Cronbach's alpha. This is widely used to study whether the items of a construct get along with each other well or not. Thus Cronbach's alpha reliability coefficient test of reliability was employed to test the reliability of the Entrepreneurial Orientation instrument. Results yielded the following score of 0.853(items=23). The result indicated that the entrepreneurial orientation instrument was reliable and viable for use.

To assess the validity of the entrepreneurial orientation, construct validity was chosen, where construct validity tells us the extent to which a set of measured items actually reflect the theoretical latent construct they are designed to measure. Further the construct validity is measured using two types which are mentioned below:

- Convergent Validity:

  - Factor Loadings: The size of factor loading is an important indicator of convergent validity. Factor loadings that are significant with loading values above 0.5 indicate convergent validity.
  - Average Variance Extracted: Average variance extracted is another important indicator of construct validity. As a rule of thumb AVE of 0.5 or higher suggest adequate convergence.
  - Composite Reliability: Composite Reliability (alpha) is one of the most widely used measures of internal consistency in structural equation modelling. If items correlate well they are said to be measuring the same construct. Alpha value above 0.6 indicates adequate reliability for a construct.

- Discriminant Validity: Construct model should be unrelated. Discriminant validity assesses the extent to which a construct is truly distinct from the other constructs in the model. High discrimination validity provides evidence that a construct is unique and different from the rest and have phenomenon that other measures do not. Discriminant validity exists if the average variance extracted is greater than r2 between two constructs. Put in a different way, the square root of AVE should be larger than the correlations between the constructs.

In the current study any items showing a poor factor loading of way below 0.5 thresholds have been removed, thus considering only factors which are above 0.5 or close to threshold have been considered. The Composite reliability of entrepreneurial orientation (0.850) is above 0.6. The average variance extracted is moderate in all cases. The discriminant validity shows good discrimination among the different constructs.

Organizational Performance

The third instrument, organizational performance, was designed and adapted from Zulkiffli, S & Perera, N (2011). This organizational performance instrument was used to measure different organizational performance factors such as process performance, supplier relationship performance, people performance and customer relationship

performance. The organizational performance instrument uses a five-point Likert scale to measure organizational performance.

The scale consists of 1 to 5, with 1 indicating a "Completely Disagreed" rating of the performance described in the statement. The other end of the scale, 5, indicates a "Completely Agreed" rating of the performance described in the statement. The leaders (in current research study owners/managers of SME's) completed a questionnaire describing their own organizational performance.

This study attempted to obtain a holistic view of organizational performance. The respondents were asked to complete the questionnaire by scoring each individual question on a scale from 1 to 5. The organizational performance questions for the owner/managers of SMEs are provided in Appendix F.

Reliability and Validity of the Organizational Performance

The reliability of the organizational performance was measured using Cronbach's alpha which is widely used to study whether the items of a construct get along with each other well or not. Thus Cronbach's alpha reliability coefficient test of reliability was employed to test the reliability of the organizational performance. Results yielded the following score of 0.792(items=18). The result indicated that the organizational performance instrument was reliable and viable for use.

To assess the validity of organizational performance, construct validity has been chosen, where construct validity tells us the extent to which a set of measured items actually reflect the theoretical latent construct they are designed to measure. Further the construct validity is measured using two types which are mentioned below:

- Convergent Validity:

  ➢ Factor Loadings: The size of factor loading is an important indicator of convergent validity. Factor loadings that are significant with loading values above 0.5 indicate convergent validity.

➢ Average Variance Extracted: Average variance extracted is another important indicator of construct validity. As a rule of thumb AVE of 0.5 or higher suggest adequate convergence.

➢ Composite Reliability: Composite Reliability (alpha) is one of the most widely used measures of internal consistency in structural equation modelling. If items correlate well they are said to be measuring the same construct. Alpha value above 0.6 indicates adequate reliability for a construct.

- Discriminant Validity: Construct model should be unrelated. Discriminant validity assesses the extent to which a construct is truly distinct from the other constructs in the model. High discrimination validity provides evidence that a construct is unique and different from the rest and have phenomenon that other measures do not. Discriminant validity exists if the average variance extracted is greater than r2 between two constructs. Put in a different way, the square root of AVE should be larger than the correlations between the constructs.

In the current study any items showing a poor factor loading of way below 0.5 thresholds have been removed, thus only factors which are above 0.5 or close to threshold have been considered. The Composite reliability of organizational performance factors, namely process performance, supplier relationship performance, and people performance, are above 0.6, with the exception of customer relationship performance, which is marginally missed the threshold. The average variance extracted is moderate in all cases. The discriminant validity shows good discrimination among the different constructs.

3.9   Research Questions and Hypothesis

The quantitative research questions that will guide the study and generate the hypothesis are as follows:

Research Question-1: Does gender influence Leadership Styles and Entrepreneurial orientation?

H1A: Gender does influence Leadership Styles and Entrepreneurial orientation.

Research Question-2: Does age influence Leadership Styles and Entrepreneurial orientation?

H1A: Age does influence Leadership Styles and Entrepreneurial orientation.

Research Question-3: Does experience influence Leadership Styles and Entrepreneurial orientation?

H1A: Experience does influence Leadership Styles and Entrepreneurial orientation.

Research Question-4: Does qualification influence Leadership Styles and Entrepreneurial orientation?

H1A: Qualifications does influence Leadership Styles and Entrepreneurial orientation.

Research Question-5: Does designation influence Leadership Styles and Entrepreneurial orientation?

H1A: Designation does influence Leadership Styles and Entrepreneurial orientation.

Research Question-6: Whether there is a difference in the extent of transformational leadership style components practiced among respondents of SME's?

H1A: There is a significant difference in the extent of transformational leadership components practiced among respondents of SME's.

Research Question-7: Whether there is a difference in the frequency of the transactional leadership style component (Management by Exception-Active, Contingent Reward) practiced among owners/managers of SMEs?

H1A: There is a significant difference in the frequency of the transactional leadership style component (Management by Exception-Active, Contingent Reward) practiced among owners/managers of SMEs**.**

Research Question-8: Whether there is a difference in the frequency of the passive-avoidant leadership style component (Management by Exception-Passive, Laissez-faire) practiced among owners/managers of SMEs?

H1A: There is a significant difference in the frequency of the Passive-avoidant leadership style (Management by Exception-Passive, Laissez-Faire) practiced among owners/managers of SMEs**.**

Research Question-9: Whether there is a difference in the frequency of entrepreneurial orientation components practiced among respondents of SME's?

H1A: There is a significant difference in the extent of entrepreneurial orientation components practiced among respondents of SME's.

Research Question-10: Whether Leadership Styles and Entrepreneurial Orientation are co-related?

H1A: There is a significant relationship between leadership styles and entrepreneurial orientation**.**

Research Question-11: Whether Transformational Leadership Style and Organizational Performance are co-related?

H1A: There is a significant relationship between transformational leadership style and organizational performance**.**

Research Question-12: Whether Transactional Leadership Style and Organizational Performance are co-related?

H1A: There is a significant relationship between transactional leadership style and organizational performance**.**

Research Question-13: Whether Passive-Avoidant Leadership Style and Organizational Performance are co-related?

H1A: There is a significant relationship between passive-avoidant leadership style and organizational performance**.**

Research Question-14: Whether Entrepreneurial Orientation and Organizational Performance are co-related?

H1A: There is a significant relationship between Entrepreneurial Orientation and organizational performance**.**

Research Question-15: Whether transformational leadership impact organizational performance?

H1A: Transformational leadership is a positive predictor of organizational performance.

Research Question-16: Whether transactional leadership impact organizational performance?

H1A: Transactional leadership is a positive predictor of organizational performance.

Research Question-17: Whether passive-avoidant leadership impact organizational performance?

H1A: Passive-avoidant leadership is a negative predictor of organizational performance.

Research Question-18: Whether entrepreneurial orientation impact organizational performance?

H1A: Entrepreneurial orientation is a positive predictor of organizational performance.

4. Data Analysis and Results

4.1 Demographics

Age Demographics

Purpose: Respondents were asked to share their age so we can identify which age group makes   maximum samples.

Scale (ordinal): The age is classified into five groups, which are mentioned below:

- Less than 30 years

- 30-40 years

- 40-50 years

- 50-60 years

- 60+ years
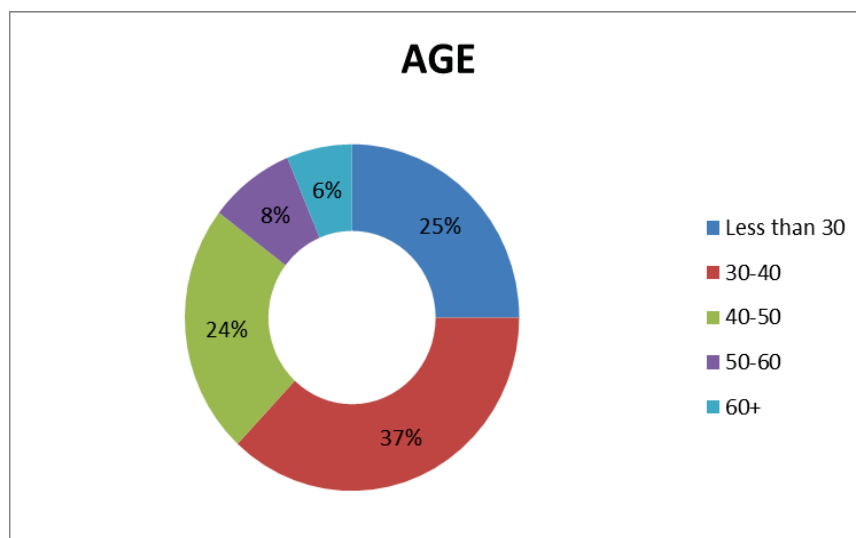
Figure 3: Classification of Age Groups

The above pie chart shows that age has been classified into groups and most of the samples are from the 30-40yr age group which comprises of 37% of total samples. This is followed by <30yr age group which comprises 25%, then the 40-50yr age group which comprises 23.33%, the 50-60yr age group which comprises 8.33% and last the 60+yr age group which is the lowest in group with 6.33% of total samples.

Qualification Demographics

Purpose: Respondents were asked to share their qualifications so we can identify which qualification will constitute more in samples.

Scale (ordinal): The qualification is classified into three groups, which are mentioned below:

- Graduate
- Post Graduate
- Under Graduate
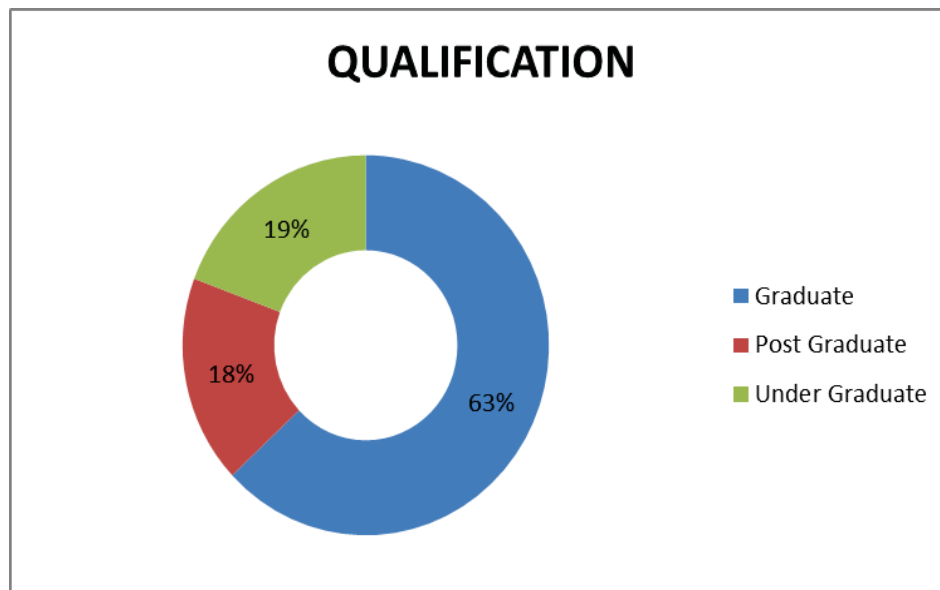
Figure 4: Classification of Educational Qualifications of SME owners/managers

The above pie chart shows that qualifications have been classified into groups and most of the samples are from the graduate group which comprises of 63% of total samples. This is followed by the undergraduate group which comprises 19.3%, and last is the post graduate group which is the lowest in group with 17.7% of total samples.

Gender Demographics

Purpose: Respondents were asked to share their gender so we can group together the same gender and identify which gender is more in samples.

Scale (nominal): The gender is classified into two groups, which are mentioned below:

- Female

- Male
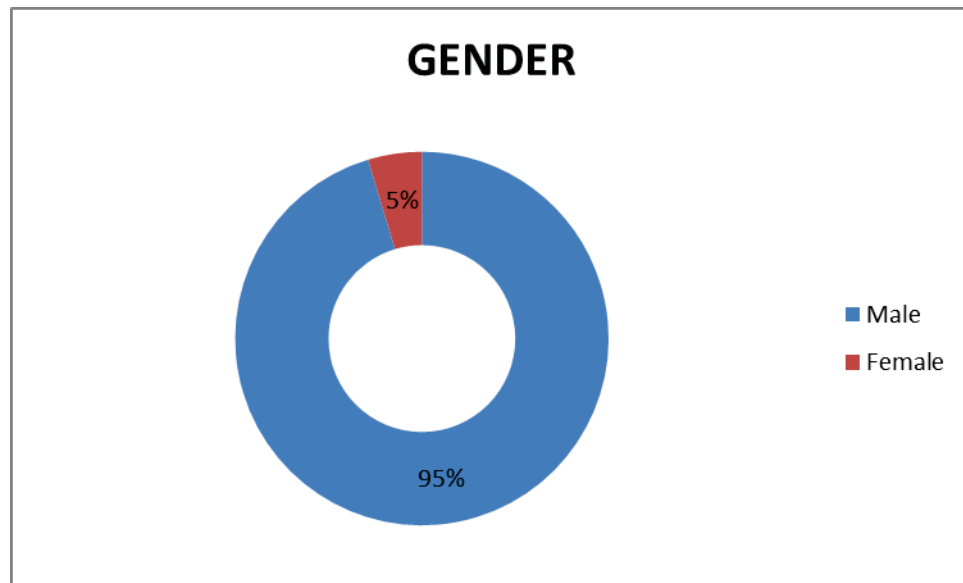
Figure 5: Classification of Gender (Male / Female)

The above pie chart shows that gender has been classified into groups and most of the samples are from the male group which comprises 95.33% of the total samples followed by the female group which comprises 4.66% of total samples.

Quality Certification Demographics

Purpose: Respondents were asked to share information about their quality certifications so we can group together and identify the number of organizations which have quality certifications.

Scale (nominal): The quality certification response was classified into two groups, which are mentioned below:

- Yes (Have quality certification)

- No (Don't have quality certification)

Figure 6: Classification of SME organizations based on quality certification

The above pie chart shows that quality certifications have been classified into groups and most of the samples are from the "no quality certification" group which comprises 92% of total samples, followed by "having quality certification" group which comprises 8% of total samples.

Experience Demographics

Purpose: Respondents were asked to share their number of years of experience so we can identify which experience group will constitute more samples.

Scale (ordinal): The experience response is classified into four groups, which are mentioned below:

- Less than 10 years

- 10-20 years

- 20-30 years

- 30+ years
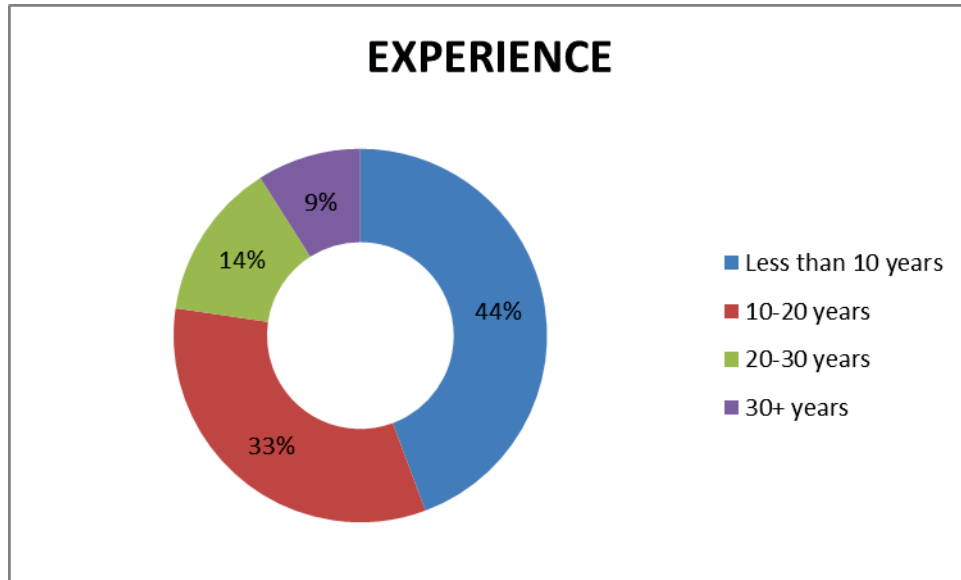
Figure 7: Classification of Experience Groups

The above pie chart shows that experience has been classified into groups and most of the samples are from >10 years' experience group which comprises of 44.33% of total samples. This is followed by the 10-20 yrs.' experience group which comprises 33%, then the 20-30 yrs. experience group which comprises 13.66%, and last the <30 yrs. experience age group which was the lowest in group with 9% of total samples.

Designation Demographics

Purpose: Respondents were asked to share their designation so we can identify the number of   owners and managers in samples.

Scale (nominal): The designation response is classified into two groups, which are mentioned below:

- Owner

- Manager/Supervisor
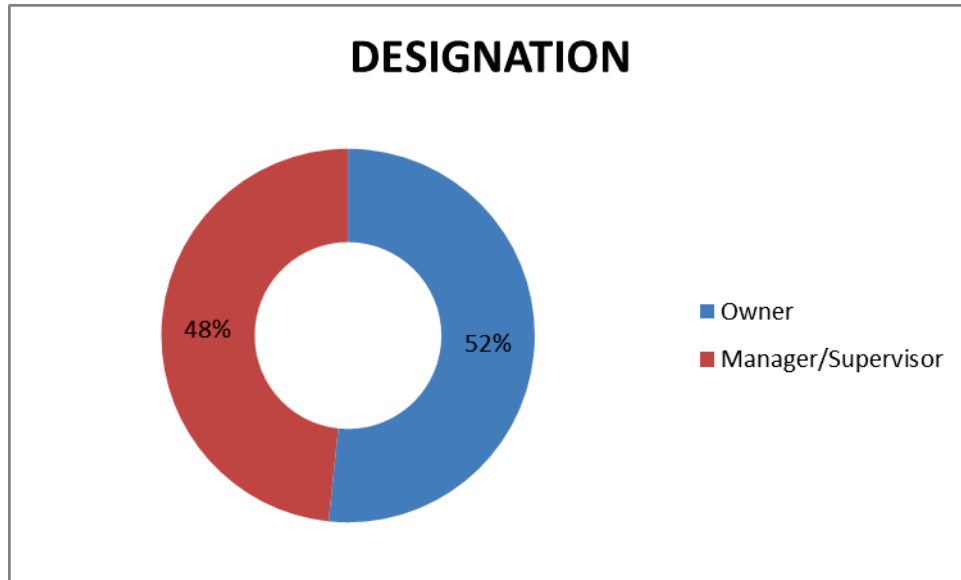
Figure 8: Classification of owners/managers according to their designation

The above pie chart shows that designation has been classified into groups and most of the samples are from the owner group which comprises 51.66% of total samples, followed by the manager/supervisor group which comprises 48.33% of total samples.

Leadership Styles

Purpose: Respondents were assessed for their dominant leadership styles and so we can identify which leadership style group makes maximum samples.

Scale (Nominal): The leadership style was classified into three groups, which are mentioned below:

• Transformational Leadership

• Transactional Leadership

• Passive-avoidant Leadership
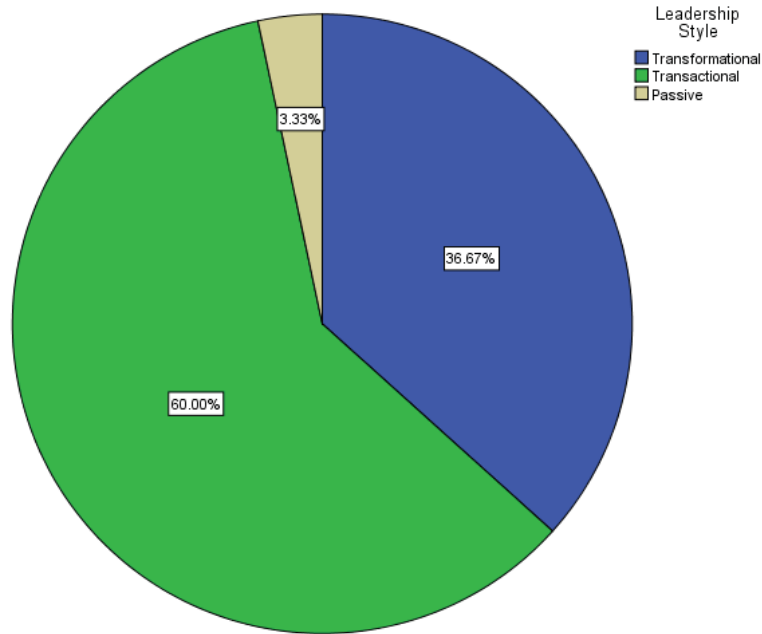
Figure 9: Classified percentage of Leadership styles of respondents

The above pie chart shows that leadership styles have been classified into groups and most of the samples are from Transactional Leadership group which comprises of 60% of total samples. This is followed by Transformational Leadership group which comprises 36.67%, then the Passive-avoidant Leadership group which comprises 3.33% of total samples which is the lowest in groups.

4.2   Descriptive Statistics

Transformational Leadership

VARIABLE-1

Table 7: Descriptive Statistics for Idealized Attribute-1 variable

IA1	
N	300
Mean	3.54
Std. Deviation	0.66
Skewness	-1.414
Kurtosis	1.804

	1/3rd of Mean	1.18

Table 8: Frequency Distribution Table for Idealized Attribute-1 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a while	4	1.3	1.3	1.3
Sometimes	17	5.7	5.7	7.0
Fairly Often	92	30.7	30.7	37.7
Frequently, if not always	187	62.3	62.3	100.0
Total	300	100.0	100.0	
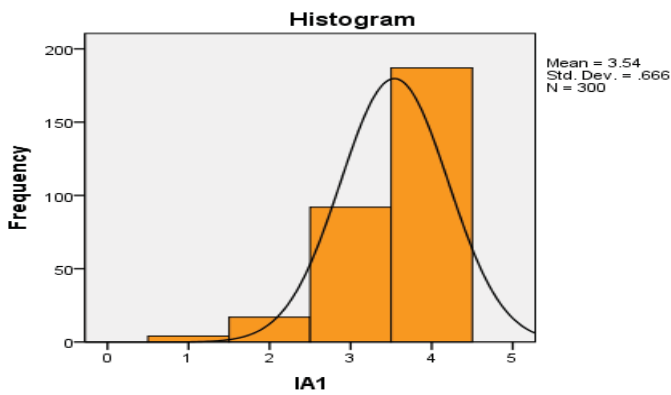
Figure 10: Histogram Showing Distribution of Idealized Attribute-1

The above table & histogram provides descriptive statistics for the variable IA-1, where mean is 3.5 and Std. deviation is 0.66. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that the owner/managers are frequently engaged in instilling a sense of belonging and proud feeling in their followers.

VARIABLE-2

Table 9: Descriptive Statistics for Idealized Attribute-2 Variable

IA2	
N	300
Mean	3.79
Std. Deviation	0.572
Skewness	-3.000
Kurtosis	8.988
1/3rd of Mean	1.26

Table 10: Frequency Distribution Table for Idealized Attribute-2 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a while	4	1.3	1.3	1.3
Sometimes	12	4.0	4.0	5.3
Fairly Often	27	9.0	9.0	14.3
Frequently, if not always	257	85.7	85.7	100.0
Total	300	100.0	100.0	
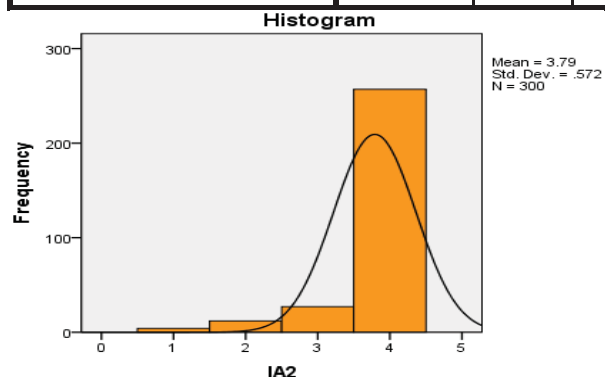
Figure 11: Histogram Showing Distribution of Idealized Attribute-2 Variable

The above table & histogram provides descriptive statistics for the variable IA-2, where mean is 3.79 and Std. deviation is 0.572. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that the owner/managers frequently leave personal motives behind for the goodness of the group.

VARIABLE-3

Table 11: Descriptive Statistics for Idealized Attribute-3 Variable

IA3	
N	300
Mean	3.26
Std. Deviation	0.673
Skewness	-1.220
Kurtosis	4.332
1/3rd of Mean	1.08

Table 12: Frequency Distribution Table for Idealized Attribute-3 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	3	1.0	1.0	1.0
Once in a while	1	.3	.3	1.3
Sometimes	18	6.0	6.0	7.3
Fairly Often	172	57.3	57.3	64.7
Frequently, if not always	106	35.3	35.3	100.0
Total	300	100.0	100.0	
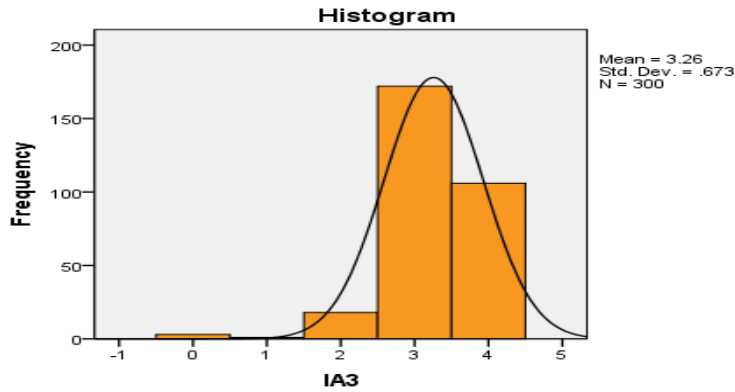
Figure 12: Histogram Showing Distribution of Idealized Attribute-3 Variable

The above table & histogram provides descriptive statistics for the variable IA-3, where mean is 3.26 and Std. deviation is 0.673. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that fairly often owner/managers take actions which help to build trust and respect for them.

VARIABLE-4

Table 13: Descriptive Statistics Table for Idealized Attribute-4 Variable

IA4	
N	300
Mean	3.44
Std. Deviation	0.722
Skewness	-0.953
Kurtosis	-0.267
1/3rd of Mean	1.14

Table 14: Frequency Distribution Table for Idealized Attribute-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a while	1	.3	.3	.3
Sometimes	38	12.7	12.7	13.0
Fairly Often	88	29.3	29.3	42.3
Frequently, if not always	173	57.7	57.7	100.0
Total	300	100.0	100.0	
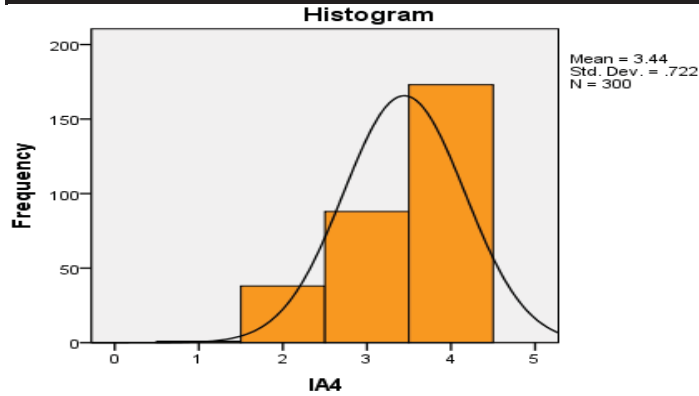
Figure 13: Histogram showing Distribution for Idealized Attribute-4 Variable

The above table & histogram provides descriptive statistics for the variable IA-4, where mean is 3.44 and Std. deviation is 0.722. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently show confidence and power in their actions.

VARIABLE-5

Table 15: Descriptive Statistics Table for Idealized Behavior-1 Variable

IB1	
N	300
Mean	3.55
Std. Deviation	0.732
Skewness	-1.937
Kurtosis	4.775
1/3rd of Mean	1.18

Table 16: Frequency Distribution Table for Idealized Behavior-1 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	3	1.0	1.0	1.0
Once in a while	1	.3	.3	1.3
Sometimes	22	7.3	7.3	8.7
Fairly Often	77	25.7	25.7	34.3
Frequently, if not always	197	65.7	65.7	100.0
Total	300	100.0	100.0	
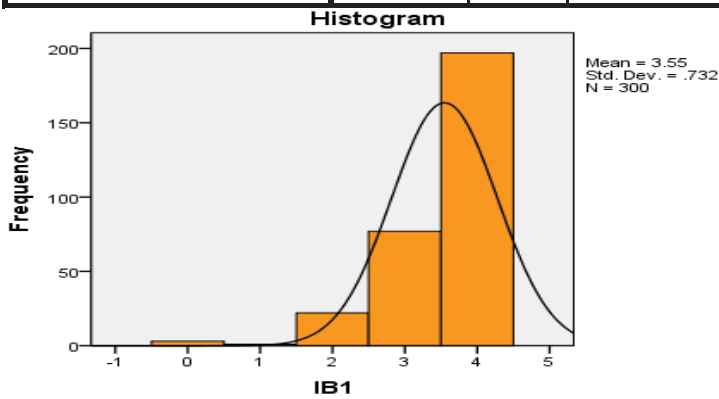
Figure 14: Histogram Showing Distribution for Idealized Behavior-1 Variable

The above table & histogram provides descriptive statistics for the variable IB-1, where mean is 3.55 and Std. deviation is 0.732. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently talk about their values and belief system.

VARIABLE-6

Table 17: Descriptive Statistics for Idealized Behavior-2 Variable

IB2	
N	300
Mean	3.60
Std. Deviation	0.675
Skewness	-1.408
Kurtosis	0.601
1/3rd of Mean	1.19

Table 18: Frequency Distribution Table for Idealized Behavior-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Sometimes	32	10.7	10.7	10.7
Fairly Often	57	19.0	19.0	29.7
Frequently, if not always	211	70.3	70.3	100.0
Total	300	100.0	100.0	
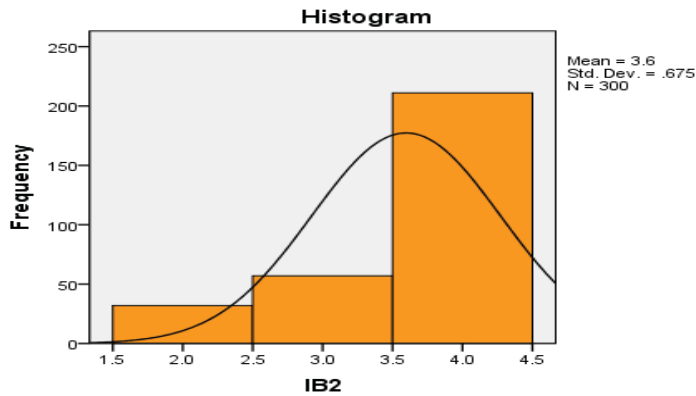
Figure 15: Histogram Showing Distribution for Idealized Behvior-2 Variable

The above table & histogram provides descriptive statistics for the variable IB-2, where mean is 3.60 and Std. deviation is 0.675. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently specify the importance of a strong sense of purpose to their followers.

VARIABLE-7

Table 19: Descriptive Statistics Table for Idealized Behavior-3 Variable

IB3	
N	300
Mean	3.70
Std. Deviation	0.635
Skewness	-2.259
Kurtosis	5.215
1/3rd of Mean	1.23

Table 20: Frequency Distribution Table for Idealized Behavior-4 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	1	.3	.3	.3
Sometimes	23	7.7	7.7	8.0
Fairly Often	39	13.0	13.0	21.0
Frequently, if not always	237	79.0	79.0	100.0
Total	300	100.0	100.0	
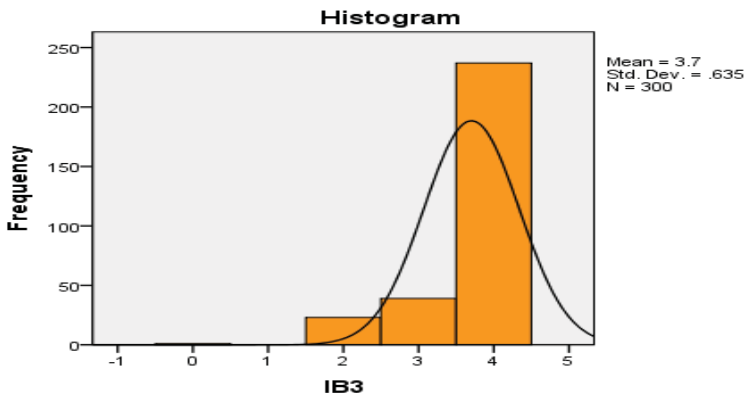
Figure 16 – Histogram Showing Distribution of Idealized Behavior-3 Variable

The above table & histogram provides descriptive statistics for the variable IB-3, where mean is 3.70 and Std. deviation is 0.635. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently take responsibility for decisions taken by them and their consequences.

VARIABLE-8

Table 21: Descriptive Statistics Table for Idealized Behavior-4 Variable

IB4	
N	300
Mean	3.79
Std. Deviation	0.626
Skewness	-3.394
Kurtosis	17.905
1/3rd of Mean	1.26

Table 22: Frequency Distribution Table for Idealized Behavior-4 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	4	1.3	1.3	1.3
Sometimes	10	3.3	3.3	4.7
Fairly Often	26	8.7	8.7	13.3
Frequently, if not always	260	86.7	86.7	100.0
Total	300	100.0	100.0	
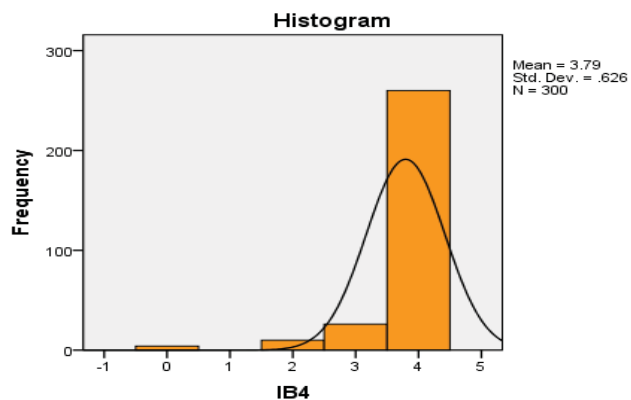
Histogram

Mean = 3.79
Std. Dev. = .626
N = 300

The above table & histogram provides descriptive statistics for the variable IB-4, where mean is 3.79 and Std. deviation is 0.626. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently put stress on one mission for all.

VARIABLE-9

Table 23: Descriptive Statistics Table for Inspirational Motivation-1 Variable

IM1	
N	300
Mean	3.86
Std. Deviation	0.505
Skewness	-4.802
Kurtosis	27.629
1/3rd of Mean	1.28

Table 24: Frequency Distribution Table for Inspirational Motivation-1 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	2	.7	.7	.7
Once in a while	1	.3	.3	1.0
Sometimes	5	1.7	1.7	2.7
Fairly Often	21	7.0	7.0	9.7
Frequently, if not always	271	90.3	90.3	100.0
Total	300	100.0	100.0	
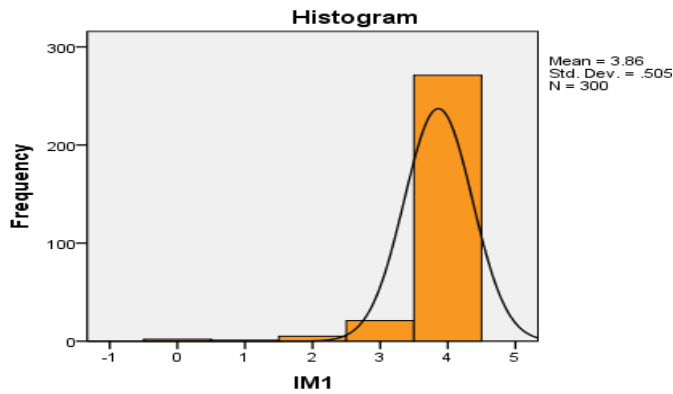
Figure 18: Histogram Showing Distribution for Inspirational Motivation-1 Variable

The above table & histogram provides descriptive statistics for the variable IM-1, where mean is 3.86 and Std. deviation is 0.505. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently talk optimistically about the future.

VARIABLE-10

Table 25: Descriptive Statistics Table for Inspirational Motivation-2 Variable

IM2	
N	300
Mean	3.79
Std. Deviation	0.540
Skewness	-3.064
Kurtosis	11.202
1/3rd of Mean	1.26

Table 26: Frequency Distribution Table for Inspirational Motivation-2 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	1	.3	.3	.3
Sometimes	13	4.3	4.3	4.7
Fairly Often	32	10.7	10.7	15.3
Frequently, if not always	254	84.7	84.7	100.0
Total	300	100.0	100.0	
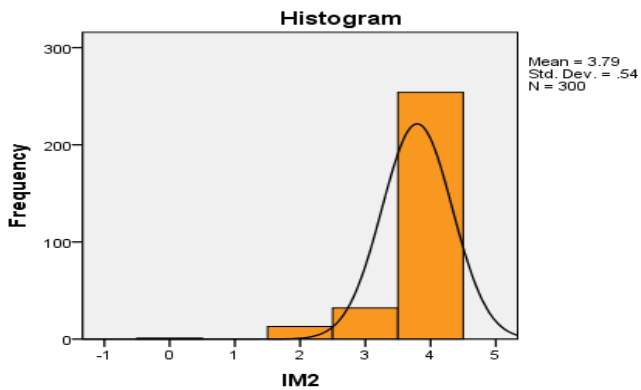
Figure 19: Histogram Showing Distribution for Inspirational Motivation-2 Variable

The above table & histogram provides descriptive statistics for the variable IM-2, where mean is 3.79 and Std. deviation is 0.540. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently show enthusiasm while communicating the tasks to their followers.

VARIABLE-11

Table 27: Descriptive Statistics Table for Inspirational Motivation-3 Variable

IM3	
N	300
Mean	3.63
Std. Deviation	0.617
Skewness	-1.640
Kurtosis	2.292
1/3rd of Mean	1.21

Table 28: Frequency Distribution Table for Inspirational Motivation-3 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a while	2	.7	.7	.7
Sometimes	16	5.3	5.3	6.0
Fairly Often	72	24.0	24.0	30.0
Frequently, if not always	210	70.0	70.0	100.0
Total	300	100.0	100.0	
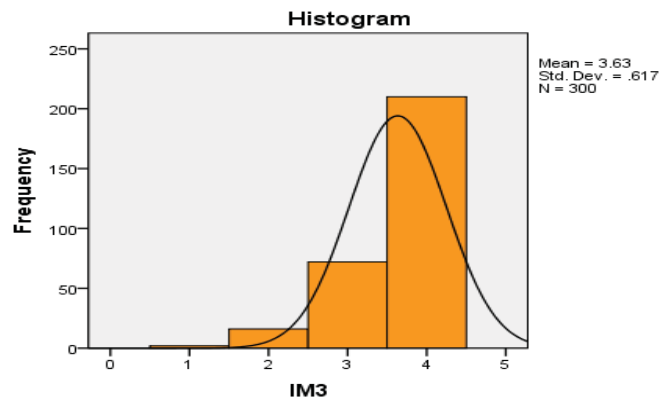
Figure 20: Histogram Showing Distribution for Inspirational Motivation-3 Variable

The above table & histogram provides descriptive statistics for the variable IM-3, where mean is 3.63 and Std. deviation is 0.617. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently create a compelling vision of future.

VARIABLE-12

Table 29: Descriptive Statistics Table for Inspirational Motivation-4 Variable

IM4	
N	300
Mean	3.64
Std. Deviation	0.647
Skewness	-1.727
Kurtosis	2.225
1/3rd of Mean	1.21

Table 30: Frequency Distribution Table for Inspirational Motivation-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a while	2	.7	.7	.7
Sometimes	22	7.3	7.3	8.0
Fairly Often	58	19.3	19.3	27.3
Frequently, if not always	218	72.7	72.7	100.0
Total	300	100.0	100.0	
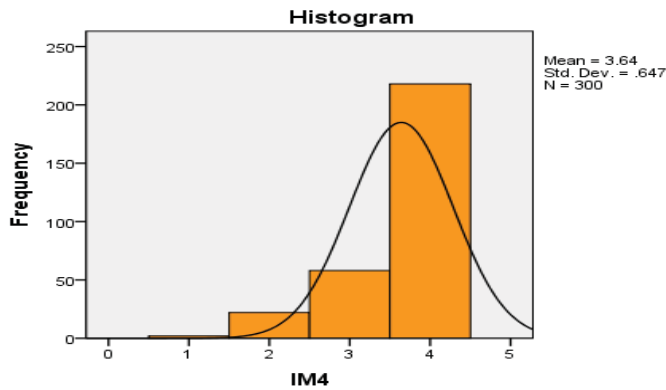
Figure 21: Histogram Showing Distribution for Inspirational Motivation-4 Variable

The above table & histogram provides descriptive statistics for the variable IM-4, where mean is 3.64 and Std. deviation is 0.647. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently show confidence that the targets will be achieved.

VARIABLE-13

Table 31: Descriptive Statistics for Intellectual Stimulation-1 Variable

IS1	
N	300
Mean	3.80
Std. Deviation	0.549
Skewness	-3.254
Kurtosis	12.345
1/3rd of Mean	1.26

Table 32: Frequency Distribution Table for Intellectual Stimulation-1 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	1	.3	.3	.3
Once in a while	1	.3	.3	.7
Sometimes	12	4.0	4.0	4.7
Fairly Often	29	9.7	9.7	14.3
Frequently, if not always	257	85.7	85.7	100.0
Total	300	100.0	100.0	
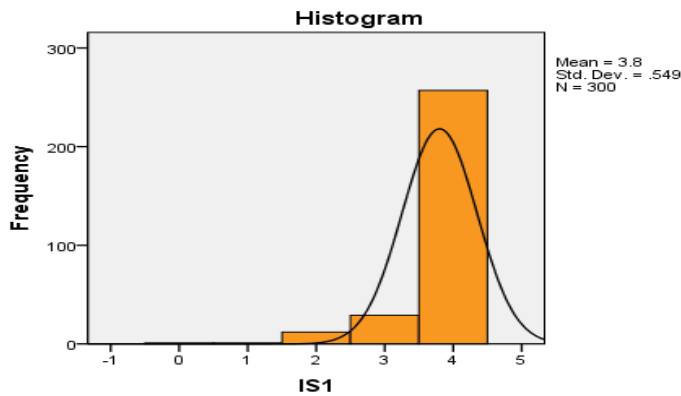
Figure 22: Histogram Showing Distribution for Intellectual Stimulation-1 Variable

The above table & histogram provides descriptive statistics for the variable IS-1, where mean is 3.80 and Std. deviation is 0.549. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently question the appropriateness of the assumptions they have made.

VARIABLE-14

Table 33: Descriptive Statistics for Intellectual Stimulation-2 Variable

IS2	
N	300
Mean	3.84
Std. Deviation	0.437
Skewness	-2.984
Kurtosis	10.067
1/3rd of Mean	1.27

Table 34: Frequency Distribution Table for Intellectual Stimulation-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a while	1	.3	.3	.3
Sometimes	5	1.7	1.7	2.0
Fairly Often	36	12.0	12.0	14.0
Frequently, if not always	258	86.0	86.0	100.0
Total	300	100.0	100.0	
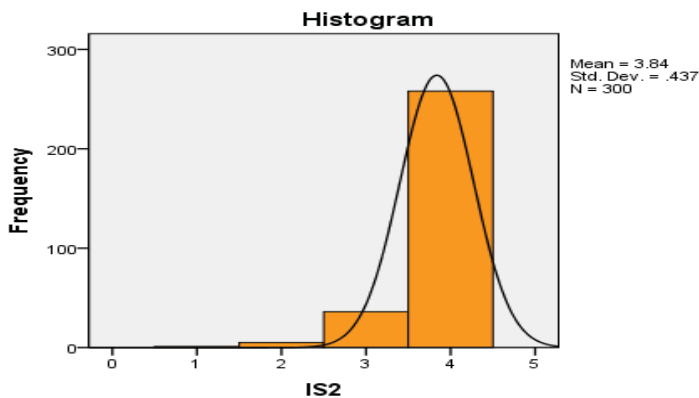
Figure 23: Histogram Showing Distribution for Intellectual Stimulation-2 Variable

The above table & histogram provides descriptive statistics for the variable IS-2, where mean is 3.84 and Std. deviation is 0.437. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently take into consideration several perspectives to solve problems.

VARIABLE-15

Table 35: Descriptive Statistics for Intellectual Stimulation-3 Variable

IS3	
N	300
Mean	3.74
Std. Deviation	0.561
Skewness	-2.268
Kurtosis	5.115
1/3rd of Mean	1.24

Table 36: Frequency Distribution Table for Intellectual Stimulation-3 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a while	2	.7	.7	.7
Sometimes	12	4.0	4.0	4.7
Fairly Often	49	16.3	16.3	21.0
Frequently, if not always	237	79.0	79.0	100.0
Total	300	100.0	100.0	
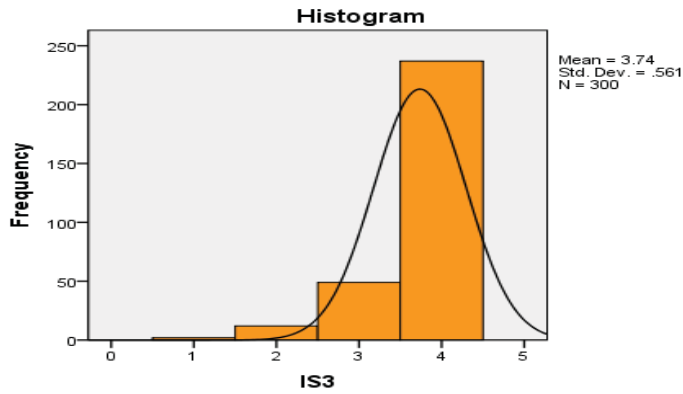
Figure 24: Histogram Showing Distribution for Intellectual Stimulation-3 Variable

The above table & histogram provides descriptive statistics for the variable IS-3, where mean is 3.74 and Std. deviation is 0.561. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently ask others to look at the problem from different angles.

VARIABLE-16

Table 37: Descriptive Statistics for Intellectual Stimulation-4 Variable

IS4	
N	300
Mean	3.10
Std. Deviation	1.174
Skewness	-1.162
Kurtosis	2.020
1/3rd of Mean	1.03

Table 38: Frequency Distribution Table for Intellectual Stimulation-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	29	9.7	9.7	9.7
Once in a while	2	.7	.7	10.3
Sometimes	13	4.3	4.3	14.7
Fairly Often	123	41.0	41.0	55.7
Frequently, if not always	133	44.3	44.3	100.0
Total	300	100.0	100.0	
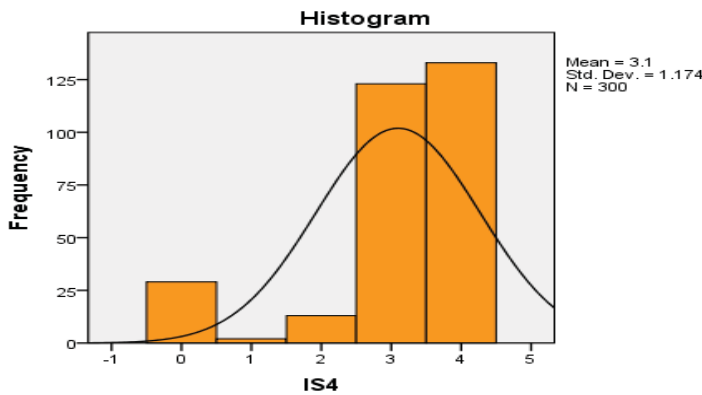
Figure 25: Histogram Showing Distribution for Intellectual Stimulation-4 Variable

The above table & histogram provides descriptive statistics for the variable IS-4, where mean is 3.10 and Std. deviation is 1.174.

Conclusion: We can conclude that since std. deviation is more than $1/3^{rd}$ of the mean, mean is not a representative value; hence interpretation is drawn from the frequency distribution table. From the frequency distribution table it is seen that approximately 85% of the owner/managers show different ways of accomplishing a task to their followers.

VARIABLE-17

Table 39: Descriptive Statistics for Individual Consideration-1 Variable

IC1	
N	300
Mean	3.62
Std. Deviation	0.691
Skewness	-1.970
Kurtosis	4.027
1/3rd of Mean	1.20

Table 40 – Frequency Distribution Table for Individual Consideration-1 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	1	.3	.3	.3
Once in a while	3	1.0	1.0	1.3
Sometimes	21	7.0	7.0	8.3
Fairly Often	59	19.7	19.7	28.0
Frequently, if not always	216	72.0	72.0	100.0
Total	300	100.0	100.0	
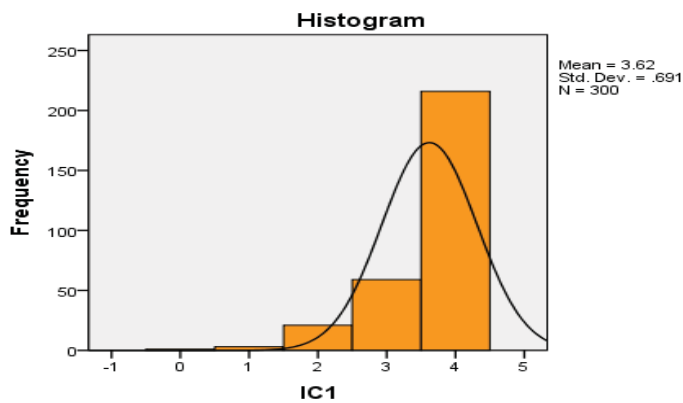
Figure 26: Histogram Showing Distribution for Individual Consideration-1 Variable

The above table & histogram provides descriptive statistics for the variable IC-1, where mean is 3.62 and Std. deviation is 0.691. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are frequently engaged in coaching and teaching their subordinates.

VARIABLE-18

Table 41 – Descriptive Statistics for Individual Consideration-2 Variable

IC2	
N	300
Mean	3.63
Std. Deviation	0.818
Skewness	-2.386
Kurtosis	5.504
1/3rd of Mean	1.20

Table 42 – Frequency Distribution Table for Individual Consideration-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	4	1.3	1.3	1.3
Once in a while	5	1.7	1.7	3.0
Sometimes	26	8.7	8.7	11.7
Fairly Often	29	9.7	9.7	21.3
Frequently, if not always	236	78.7	78.7	100.0
Total	300	100.0	100.0	
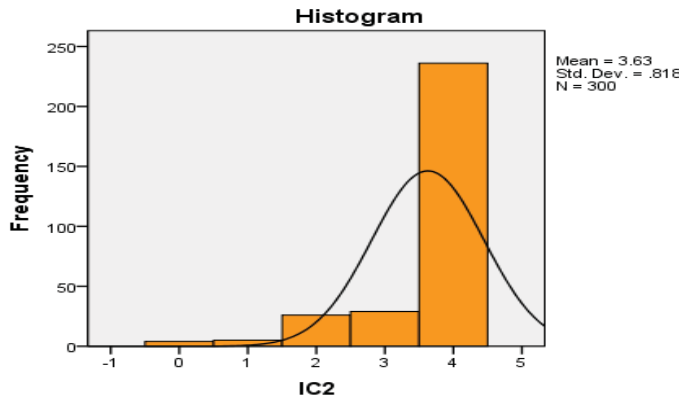
Figure 27: Histogram Showing Distribution for Individual Consideration-2 Variable

The above table & histogram provides descriptive statistics for the variable IC-2, where mean is 3.63 and Std. deviation is 0.818. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently give due consideration to individual even if they are working in groups or teams.

VARIABLE-19

Table 43 – Descriptive Statistics for Individual Consideration-3 Variable

IC3	
N	300
Mean	3.73
Std. Deviation	0.698
Skewness	-3.374
Kurtosis	13.101
1/3rd of Mean	1.24

Table 44 – Frequency Distribution Table for Individual Consideration-3 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	5	1.7	1.7	1.7
Once in a while	1	.3	.3	2.0
Sometimes	10	3.3	3.3	5.3
Fairly Often	39	13.0	13.0	18.3
Frequently, if not always	245	81.7	81.7	100.0
Total	300	100.0	100.0	
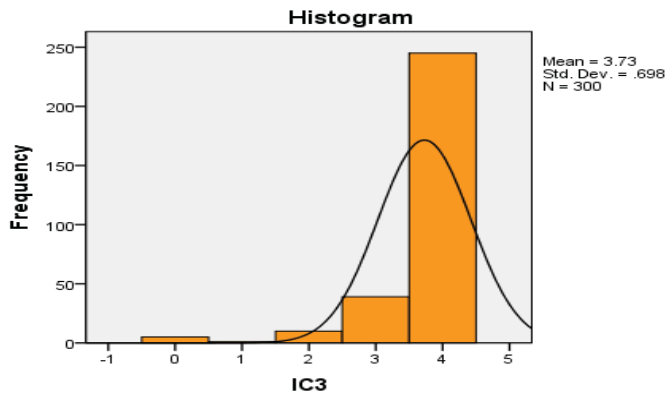
Figure 28: Histogram Showing Distribution for Individual Consideration-3 Variable

The above table & histogram provides descriptive statistics for the variable IC-3, where mean is 3.73 and Std. deviation is 0.698. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently consider that every individual has different needs, desires and aspirations.

VARIABLE-20

Table 45 – Descriptive Statistics for Individual Consideration-4 Variable

IC4	
N	300
Mean	3.68
Std. Deviation	0.662
Skewness	-2.755
Kurtosis	9.694
1/3rd of Mean	1.22

Table 46 – Frequency Distribution Table for Individual Consideration-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	3	1.0	1.0	1.0
Once in a while	1	.3	.3	1.3
Sometimes	12	4.0	4.0	5.3
Fairly Often	56	18.7	18.7	24.0
Frequently, if not always	228	76.0	76.0	100.0
Total	300	100.0	100.0	

Figure 29: Histogram Showing Distribution for Individual Consideration-4 Variable

83

The above table & histogram provides descriptive statistics for the variable IC-4, where mean is 3.68 and Std. deviation is 0.662. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently help others to develop their strengths so they can perform at their peak.

TRANSACTIONAL LEADERSHIP

VARIABLE-1

Table 47 – Descriptive Statistics for Contingent Reward-1 Variable

CR1	
N	300
Mean	3.60
Std. Deviation	0.622
Skewness	-1.571
Kurtosis	2.425
1/3rd of Mean	1.20

Table 48 – Frequency Distribution Table for Contingent Reward-1 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a while	3	1.0	1.0	1.0
Sometimes	13	4.3	4.3	5.3
Fairly Often	84	28.0	28.0	33.3
Frequently, if not always	200	66.7	66.7	100.0
Total	300	100.0	100.0	
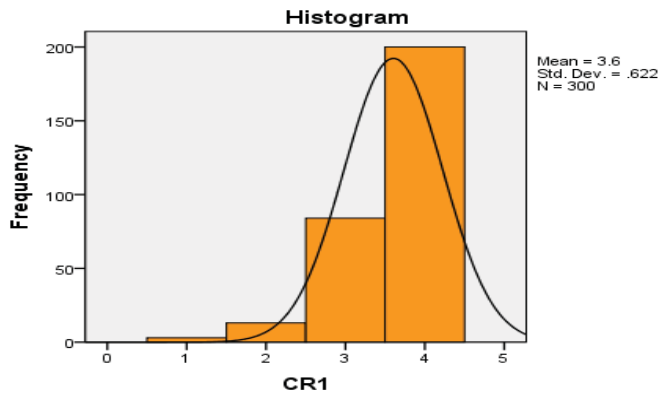
Figure 30: Histogram Showing Distribution for Contingent Reward-1 Variable

The above table & histogram provides descriptive statistics for the variable CR-1, where mean is 3.60 and Std. deviation is 0.622. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently help others who put in additional efforts.

VARIABLE-2

Table 49 – Descriptive Statistics for Contingent Reward-2 Variable

CR2	
N	300
Mean	3.61
Std. Deviation	0.626
Skewness	-1.878
Kurtosis	4.854
1/3rd of Mean	1.20

Table 50 – frequency Distribution Table for Contingent Reward-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	1	.3	.3	.3
Once in a while	2	.7	.7	1.0
Sometimes	11	3.7	3.7	4.7
Fairly Often	84	28.0	28.0	32.7
Frequently, if not always	202	67.3	67.3	100.0
Total	300	100.0	100.0	
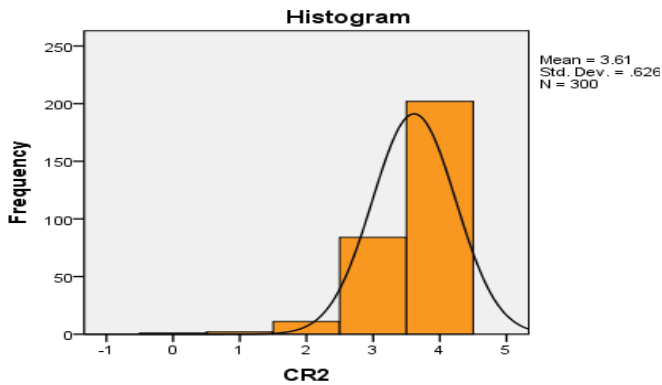
Figure 31: Histogram Showing Distribution for Contingent Reward-2 Variable

The above table & histogram provides descriptive statistics for the variable CR-2, where mean is 3.61 and Std. deviation is 0.626. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently assign specific responsibilities to every individual to help them achieve the performance targets.

VARIABLE-3

Table 51 – Descriptive Statistics for Contingent Reward-3 Variable

CR3	
N	300
Mean	3.74
Std. Deviation	0.552
Skewness	-2.430
Kurtosis	6.524
1/3rd of Mean	1.24

Table 52 – Frequency Distribution Table for Contingent Reward-3 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a while	3	1.0	1.0	1.0
Sometimes	8	2.7	2.7	3.7
Fairly Often	52	17.3	17.3	21.0
Frequently, if not always	237	79.0	79.0	100.0
Total	300	100.0	100.0	
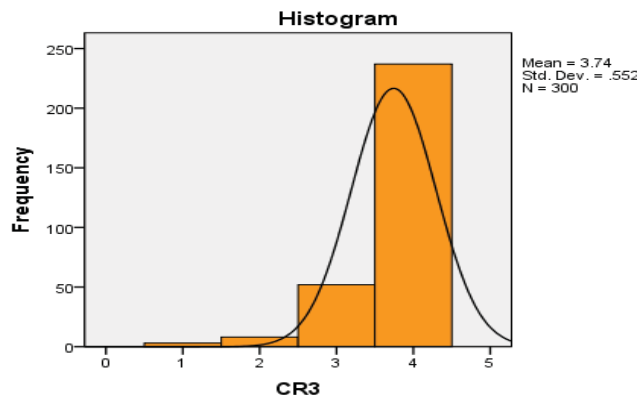
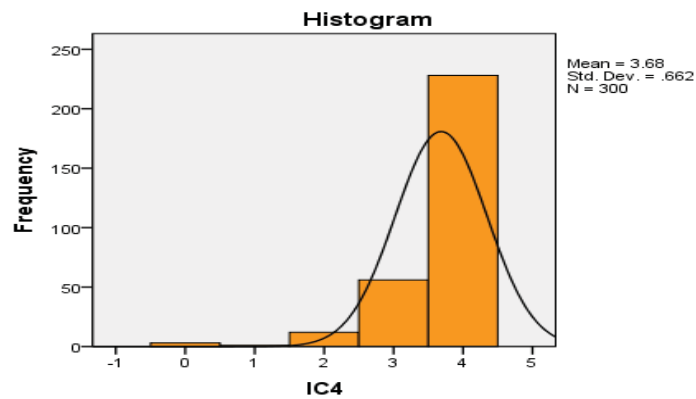**Figure 32: Histogram Showing Distribution for Contingent Reward-3 Variable**

The above table & histogram provides descriptive statistics for the variable CR-3, where mean is 3.74 and Std. deviation is 0.552. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently make clear statements about what the individual will get if the goals or targets are achieved.

VARIABLE-4

Table 53 – Descriptive Statistics for Contingent Reward-4 Variable

CR4	
N	300
Mean	3.85
Std. Deviation	0.441
Skewness	-3.280
Kurtosis	11.599
1/3rd of Mean	1.28

Table 54 – Frequency Distribution Table for Contingent Reward-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a while	1	.3	.3	.3
Sometimes	7	2.3	2.3	2.7
Fairly Often	28	9.3	9.3	12.0
Frequently, if not always	264	88.0	88.0	100.0
Total	300	100.0	100.0	
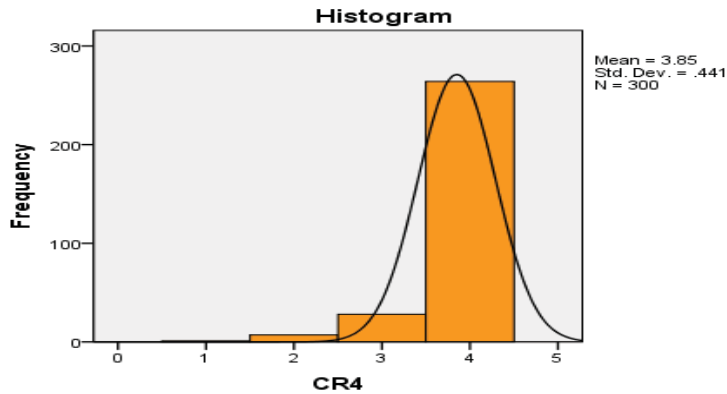
Figure 33: Histogram Showing Distribution for Contingent Reward-4 Variable

The above table & histogram provides descriptive statistics for the variable CR-4, where mean is 3.85 and Std. deviation is 0.441. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently show satisfaction if others met their expectations.

VARIABLE-5

Table 55 – Descriptive Statistics for Management by Exception Active-1 Variable

MBEA-1	
N	300
Mean	3.66
Std. Deviation	0.571
Skewness	-1.990
Kurtosis	6.324
1/3rd of Mean	1.21

Table 56 – Frequency Distribution Table for Management by Exception Active-1 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	1	.3	.3	.3
Once in a while	1	.3	.3	.7
Sometimes	6	2.0	2.0	2.7
Fairly Often	84	28.0	28.0	30.7
Frequently, if not always	208	69.3	69.3	100.0
Total	300	100.0	100.0	
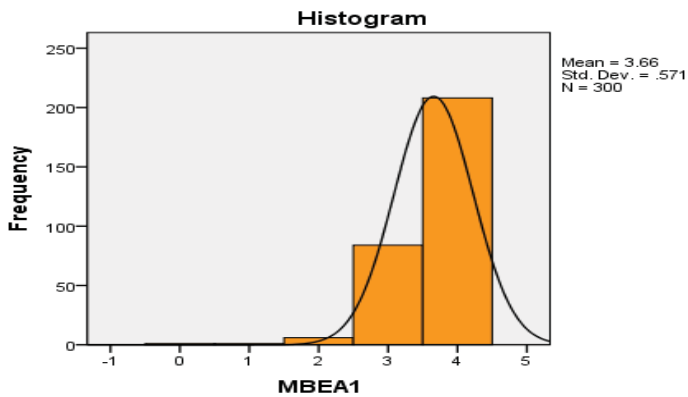
Figure 34: Histogram Showing Distribution for Management by Exception Active-1 Variable

The above table & histogram provides descriptive statistics for the variable MBEA-1, where mean is 3.66 and Std. deviation is 0.571. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that frequently owner/managers frequently focus their attention on mistakes and deviations from the set standards.

VARIABLE-6

Table 57 - Descriptive Statistics for Management by Exception Active-2 Variable

MBEA-2	
N	300
Mean	3.74
Std. Deviation	0.806
Skewness	-3.577
Kurtosis	12.719
1/3rd of Mean	1.24

Table 58 – Frequency Distribution Table for Management by Exception Active-2 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	9	3.0	3.0	3.0
Once in a while	2	.7	.7	3.7
Sometimes	8	2.7	2.7	6.3
Fairly Often	21	7.0	7.0	13.3
Frequently, if not always	260	86.7	86.7	100.0
Total	300	100.0	100.0	
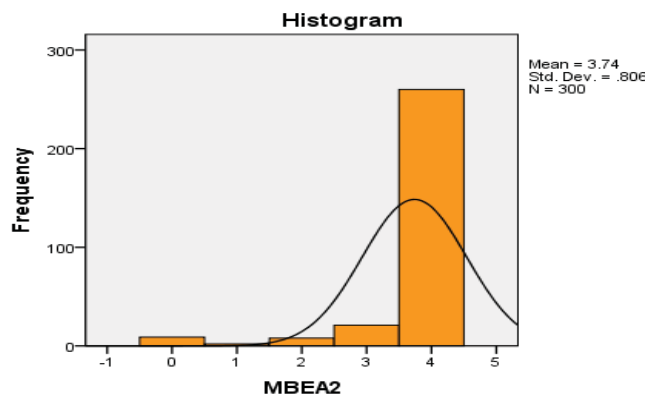
Figure 35: Histogram Showing Distribution for Management by Exception Active-2 Variable

The above table & histogram provides descriptive statistics for the variable MBEA-2, where mean is 3.74 and Std. deviation is 0.806. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that frequently owner/managers frequently focus their attention on dealing with mistakes and failures.

VARIABLE-7

Table 59 – Descriptive Statistics for Management by Exception Active-3 Variable

MBEA-3	
N	300
Mean	3.78
Std. Deviation	0.514
Skewness	-2.499
Kurtosis	6.124
1/3rd of Mean	1.26

Table 60 – frequency Distribution Table for Management by Exception Active-3 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a while	1	.3	.3	.3
Sometimes	11	3.7	3.7	4.0
Fairly Often	40	13.3	13.3	17.3
Frequently, if not always	248	82.7	82.7	100.0
Total	300	100.0	100.0	
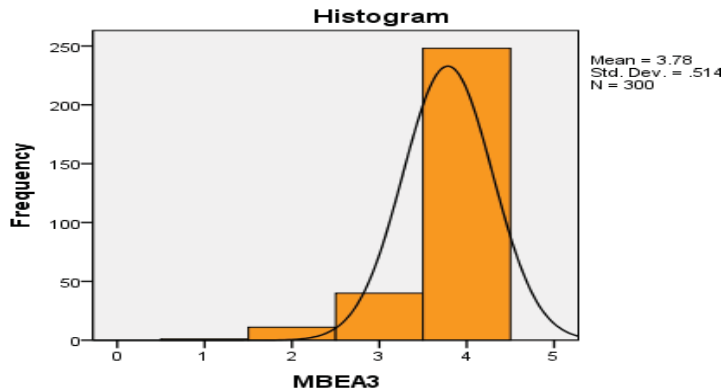
Figure 36: Histogram Showing Distribution for Management by Exception Active-3 Variable

The above table & histogram provides descriptive statistics for the variable MBEA-3, where mean is 3.78 and Std. deviation is 0.514. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently keep track of their mistakes and failures.

VARIABLE-8

Table 61 – Descriptive Statistics for Management by Exception Active-4 Variable

MBEA-4	
N	300
Mean	3.56
Std. Deviation	0.978
Skewness	-2.708
Kurtosis	6.875
1/3rd of Mean	1.18

Table 62 – Frequency Distribution Table for Management by Exception Active-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	16	5.3	5.3	5.3
Sometimes	10	3.3	3.3	8.7
Fairly Often	47	15.7	15.7	24.3
Frequently, if not always	227	75.7	75.7	100.0
Total	300	100.0	100.0	
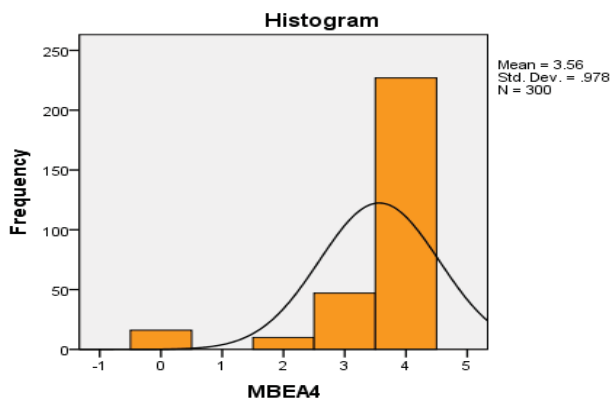
Figure 37: Histogram Showing Distribution for Management by Exception Active-4 Variable

The above table & histogram provides descriptive statistics for the variable MBEA-4, where mean is 3.56 and Std. deviation is 0.978. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently focus on failures as a technique to help meet the standards.

PASSIVE-AVOIDANT LEADERSHIP

VARIABLE-1

Table 63 – Descriptive Statistics for Management by Exception Passive-1 Variable

MBEP-1	
N	300
Mean	0.17
Std. Deviation	0.690
Skewness	4.438
Kurtosis	19.372
1/3rd of Mean	0.05

Table 64 – Frequency Distribution Table for Management by Exception Passive-1 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	278	92.7	92.7	92.7
Once in a while	9	3.0	3.0	95.7
Sometimes	2	.7	.7	96.3
Fairly Often	6	2.0	2.0	98.3
Frequently, if not always	5	1.7	1.7	100.0
Total	300	100.0	100.0	
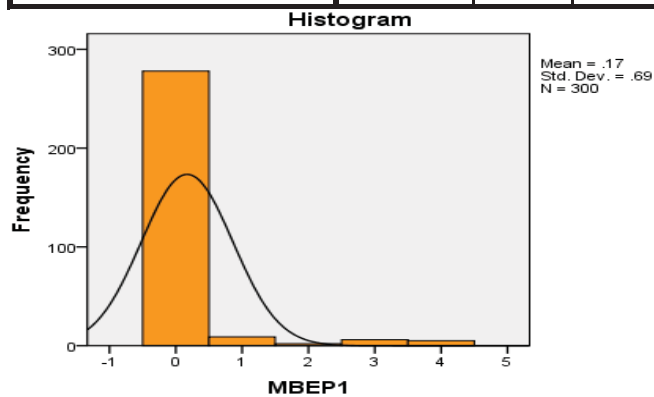
Figure 38: Histogram Showing Distribution for Management by Exception Passive-1 Variable

The above table & histogram provides descriptive statistics for the variable MBEP-1, where mean is 0.17 and Std. deviation is 0.690.

Conclusion: Since std. deviation is more than $1/3^{rd}$ of the mean, mean is not a representative value; hence interpretation is drawn from frequency distribution table. From the frequency distribution table it is seen that approximately 95% of the owner/managers fail to interfere till the problem becomes serious.

VARIABLE-2

Table 65 – Descriptive Statistics for Management by Exception Passive-2 Variable

MBEP-2	
N	300
Mean	0.16
Std. Deviation	0.723
Skewness	4.611
Kurtosis	20.196
$1/3^{rd}$ of Mean	0.05

Table 66 – Frequency Distribution Table for Management by Exception Passive-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	284	94.7	94.7	94.7
Once in a while	3	1.0	1.0	95.7
Sometimes	1	.3	.3	96.0
Fairly Often	5	1.7	1.7	97.7
Frequently, if not always	7	2.3	2.3	100.0
Total	300	100.0	100.0	
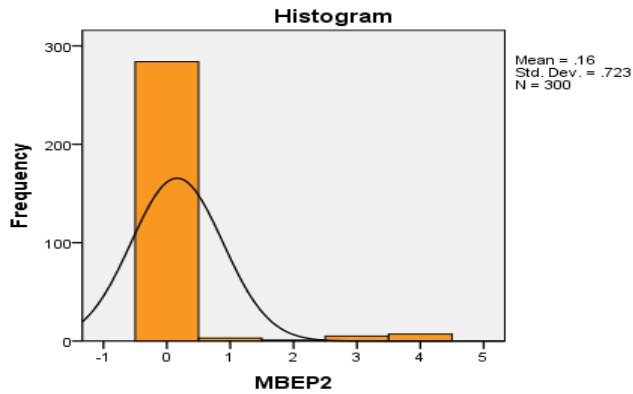
Figure 39: Histogram Showing Distribution for Management by Exception Passive-2 Variable

The above table & histogram provides descriptive statistics for the variable MBEP-2, where mean is 0.16 and Std. deviation is 0.723.

Conclusion: Since std. deviation is more than $1/3^{rd}$ of the mean, mean is not a representative value; hence interpretation is drawn from frequency distribution table. From the frequency distribution table it is seen that approximately 95% of the owner/managers wait and watch for things to go wrong before taking any actions.

VARIABLE-3

Table 67 – Descriptive Statistics for Management by Exception Passive-3 Variable

MBEP-3	
N	300
Mean	0.23
Std. Deviation	0.895
Skewness	3.718
Kurtosis	12.272
$1/3^{rd}$ of Mean	0.07

Table 68 – Frequency Distribution Table for Management by Exception Passive-3 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	280	93.3	93.3	93.3
Sometimes	3	1.0	1.0	94.3
Fairly Often	4	1.3	1.3	95.7
Frequently, if not always	13	4.3	4.3	100.0
Total	300	100.0	100.0	
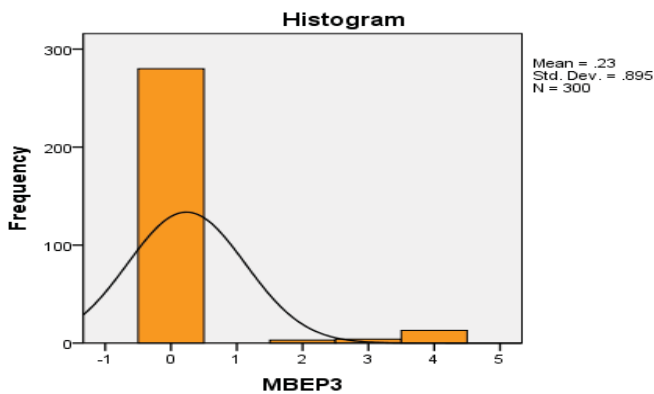
Figure 40: Histogram Showing Distribution for Management by Exception Passive-3 Variable

The above table & histogram provides descriptive statistics for the variable MBEP-3, where mean is 0.23 and Std. deviation is 0.895.

Conclusion: Since std. deviation is more than $1/3^{rd}$ of the mean, mean is not a representative value; hence interpretation is drawn from frequency distribution table. From the frequency distribution table it is seen that approximately 94% of the owner/managers believe that if things are right don't try to make it better.

VARIABLE-4

Table 69 – Descriptive Statistics for Management by Exception Passive-4 Variable

MBEP-4	
N	300
Mean	2.97
Std. Deviation	1.467
Skewness	-1.200
Kurtosis	-0.112
1/3rd of Mean	0.99

Table 70 – Frequency Distribution Table for Management by Exception Passive-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	46	15.3	15.3	15.3
Once in a while	11	3.7	3.7	19.0
Sometimes	17	5.7	5.7	24.7
Fairly Often	57	19.0	19.0	43.7
Frequently, if not always	169	56.3	56.3	100.0
Total	300	100.0	100.0	

Figure 41: Histogram Showing Distribution for Management by Exception Passive-4 Variable

The above table & histogram provides descriptive statistics for the variable MBEP-4, where mean is 2.97 and Std. deviation is 1.467.

Conclusion: Since std. deviation is more than $1/3^{rd}$ of the mean, mean is not a representative value; hence interpretation is drawn from frequency distribution table. From the frequency distribution table it is seen that approximately 75% of the owner/managers show an attitude that the problem must become severe before they take actions.

VARIABLE-5

Table 71 – Descriptive Statistics for Laisse-Faire-1 Variable

LF1	
N	300
Mean	3.855
Std. Deviation	0.444
Skewness	-2.993
Kurtosis	8.365
$1/3^{rd}$ of Mean	1.28

Table 72 – Frequency Distribution Table for Laissez-Faire-1 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Sometimes	10	3.3	3.3	3.3
Fairly Often	26	8.7	8.7	12.0
Frequently, if not always	264	88.0	88.0	100.0
Total	300	100.0	100.0	
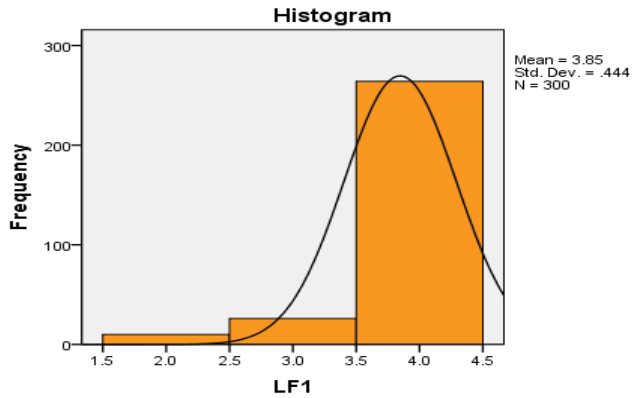
Figure 42: Histogram Showing Distribution for Laissez-Faire-1 Variable

The above table & histogram provides descriptive statistics for the variable LF-1, where mean is 3.855 and Std. deviation is 0.444. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers frequently avoid getting involved in a situation when an important issue arises.

VARIABLE-6

Table 73 – Descriptive Statistics for Laissez-Faire-2 Variable

LF2	
N	300
Mean	2.87
Std. Deviation	1.258
Skewness	-1.159
Kurtosis	0.323
1/3rd of Mean	0.95

Table 74 – Frequency Distribution Table for Laissez-Faire-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	30	10.0	10.0	10.0
Once in a while	18	6.0	6.0	16.0
Sometimes	24	8.0	8.0	24.0
Fairly Often	116	38.7	38.7	62.7
Frequently, if not always	112	37.3	37.3	100.0
Total	300	100.0	100.0	
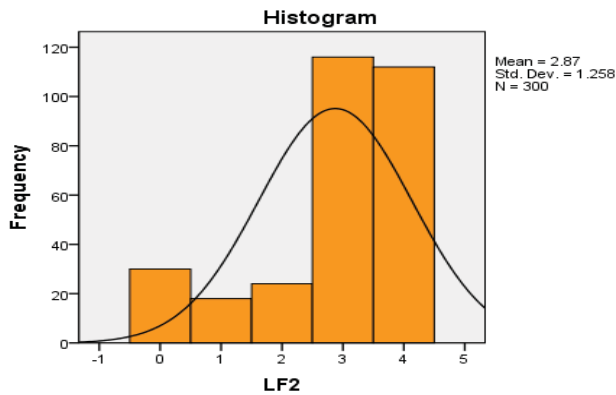
Figure 43: Histogram Showing Distribution for Laissez-Faire-2 Variable

The above table & histogram provides descriptive statistics for the variable LF-2, where mean is 2.87 and Std. deviation is 1.258.

Conclusion: Since std. deviation is more than $1/3^{rd}$ of the mean, mean is not a representative value; hence interpretation is drawn from frequency distribution table. From the frequency distribution table it is seen that approximately 75% of the owner/managers show they were unavailable if there is a need.

VARIABLE-7

Table 75 – Descriptive Statistics for Laissez-Faire-3 Variable

LF3	
N	300
Mean	0.61
Std. Deviation	1.311
Skewness	1.897
Kurtosis	1.933
1/3rd of Mean	0.20

Table 76 – Frequency Distribution Table for Laissez-Faire-3 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	241	80.3	80.3	80.3
Once in a while	5	1.7	1.7	82.0
Sometimes	14	4.7	4.7	86.7
Fairly Often	11	3.7	3.7	90.3
Frequently, if not always	29	9.7	9.7	100.0
Total	300	100.0	100.0	
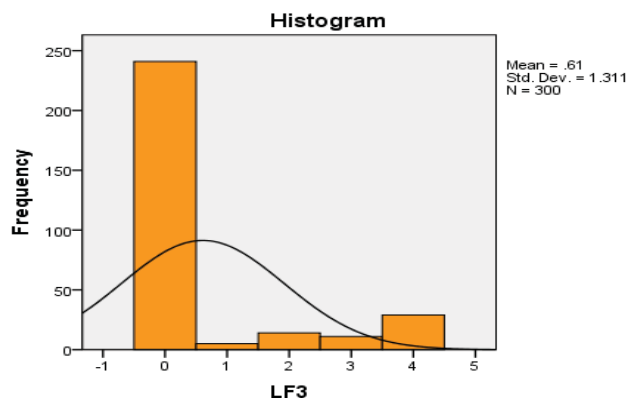
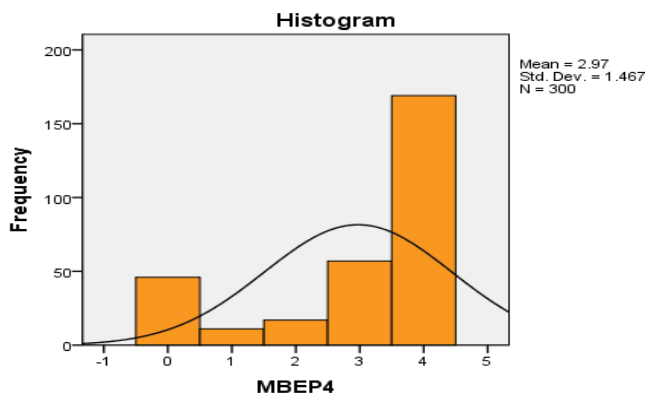**Figure 44: Histogram Showing Distribution for Laissez-Faire-3 Variable**

The above table & histogram provides descriptive statistics for the variable LF-3, where mean is 0.61 and Std. deviation is 1.311.

Conclusion: Since std. deviation is more than $1/3^{rd}$ of the mean, mean is not a representative value; hence interpretation is drawn from frequency distribution table. From the frequency distribution table it is seen that approximately 81% of the owner/managers show that they avoid taking decisions.

VARIABLE-8

Table 77 – Descriptive Statistics for Laissez-Faire-4 Variable

LF4	
N	300
Mean	0.72
Std. Deviation	1.486
Skewness	1.640
Kurtosis	0.790
$1/3^{rd}$ of Mean	0.24

Table 78 – Frequency Distribution Table for Laissez-Faire-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Not at All	241	80.3	80.3	80.3
Once in a while	1	.3	.3	80.7
Sometimes	3	1.0	1.0	81.7
Fairly Often	11	3.7	3.7	85.3
Frequently, if not always	44	14.7	14.7	100.0
Total	300	100.0	100.0	
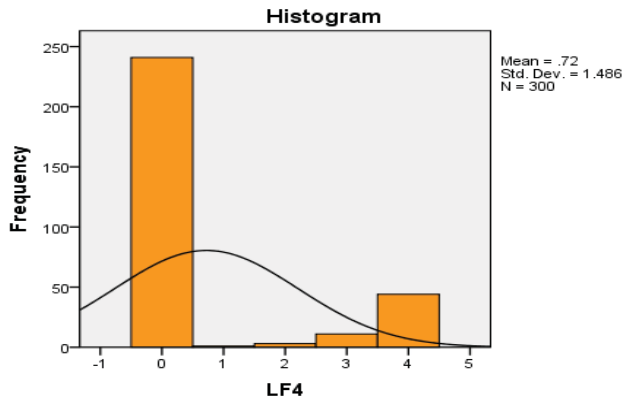
Figure 45: Histogram Showing Distribution of Laissez-Faire-4 Variable

The above table & histogram provides descriptive statistics for the variable LF-4, where mean is 0.72 and Std. deviation is 1.486.

Conclusion: Since std. deviation is more than $1/3^{rd}$ of the mean, mean is not a representative value; hence interpretation is drawn from frequency distribution table. From the frequency distribution table it is seen that approximately 80% of the owner/managers have a delay in responding to important and urgent questions.

4.2.1 Organizational Performance

VARIABLE-1

Table 79 – Descriptive Statistics for Supplier Relationship Performance-1 Variable

SP1	
N	300
Mean	4.64
Std. Deviation	0.856
Skewness	-2.857
Kurtosis	8.125
$1/3^{rd}$ of Mean	1.54

Table 80 – Frequency Distribution Table for Supplier Relationship Performance-1 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	8	2.7	2.7	2.7
Somewhat Disagreed	5	1.7	1.7	4.3
Neutral	12	4.0	4.0	8.3
Somewhat Agreed	36	12.0	12.0	20.3
Completely Agreed	239	79.7	79.7	100.0
Total	300	100.0	100.0	
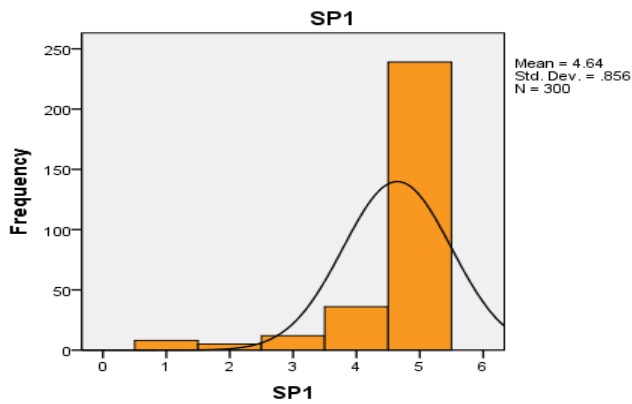
Figure 46: Histogram Showing Distribution for Supplier Relationship Performance-1 Variable

The above table & histogram provides descriptive statistics for the variable SP-1, where mean is 4.64 and Std. deviation is 0.856. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed about the satisfaction they have with the product quality given by the suppliers.

VARIABLE-2

Table 81 – Descriptive Statistics for Supplier Relationship Performance-2 Variable

SP2	
N	300
Mean	4.49
Std. Deviation	0.909
Skewness	-2.382
Kurtosis	6.035
1/3rd of Mean	1.49

Table 82 – Frequency Distribution Table for Supplier Relationship Performance-2 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	11	3.7	3.7	3.7
Somewhat Disagreed	3	1.0	1.0	4.7
Neutral	11	3.7	3.7	8.3
Somewhat Agreed	79	26.3	26.3	34.7
Completely Agreed	196	65.3	65.3	100.0
Total	300	100.0	100.0	

Figure 47: Histogram Showing Distribution for Supplier Relationship Performance-2 Variable

The above table & histogram provides descriptive statistics for the variable SP-2, where mean is 4.49 and Std. deviation is 0.909. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed about the satisfaction they have with the delivery performance of the suppliers.

VARIABLE-3

Table 83 – Descriptive Statistics for Supplier Relationship Performance-3 Variable

SP3	
N	300
Mean	4.80
Std. Deviation	0.547
Skewness	-3.789
Kurtosis	18.311
1/3rd of Mean	1.60

Table 84: Frequency Distribution Table for Supplier Relationship Performance-3 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	2	.7	.7	.7
Somewhat Disagreed	1	.3	.3	1.0
Neutral	6	2.0	2.0	3.0
Somewhat Agreed	36	12.0	12.0	15.0
Completely Agreed	255	85.0	85.0	100.0
Total	300	100.0	100.0	

Figure 48: Histogram Showing Distribution for Supplier Relationship Performance-3 Variable

The above table & histogram provides descriptive statistics for the variable SP-3, where mean is 4.80 and Std. deviation is 0.547. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they had improved their rapport with suppliers.

VARIABLE-4

Table 85: Descriptive Statistics for Supplier Relationship Performance-4 Variable

SP4	
N	300
Mean	4.66
Std. Deviation	0.540
Skewness	-1.432
Kurtosis	1.855
1/3rd of Mean	1.55

Table 86: Frequency Distribution Table for Supplier Relationship Performance-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Somewhat Disagreed	1	.3	.3	.3
Neutral	7	2.3	2.3	2.7
Somewhat Agreed	85	28.3	28.3	31.0
Completely Agreed	207	69.0	69.0	100.0
Total	300	100.0	100.0	
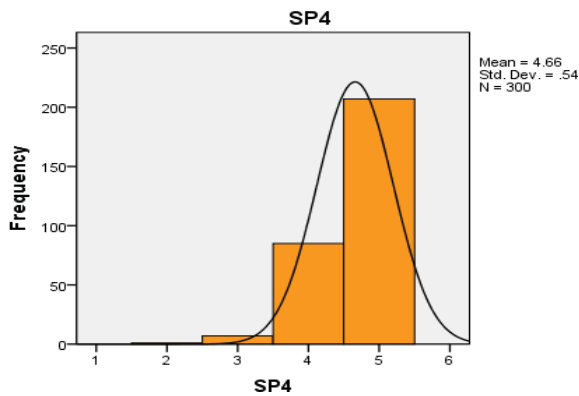
Figure 49: Histogram Showing Distribution for Supplier Relationship Performance-4 Variable

The above table & histogram provides descriptive statistics for the variable SP-4, where mean is 4.66 and Std. deviation is 0.540. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they have long term relationships with suppliers and the frequency with which they change the suppliers is very low.

VARIABLE-5

Table 87: Descriptive Statistics for Process Performance-1 Variable

PRP1	
N	300
Mean	4.69
Std. Deviation	0.617
Skewness	-1.931
Kurtosis	2.765
1/3rd of Mean	1.56

Table 88: Frequency Distribution Table for Process Performance-1 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Somewhat Disagreed	1	.3	.3	.3
Neutral	22	7.3	7.3	7.7
Somewhat Agreed	45	15.0	15.0	22.7
Completely Agreed	232	77.3	77.3	100.0
Total	300	100.0	100.0	
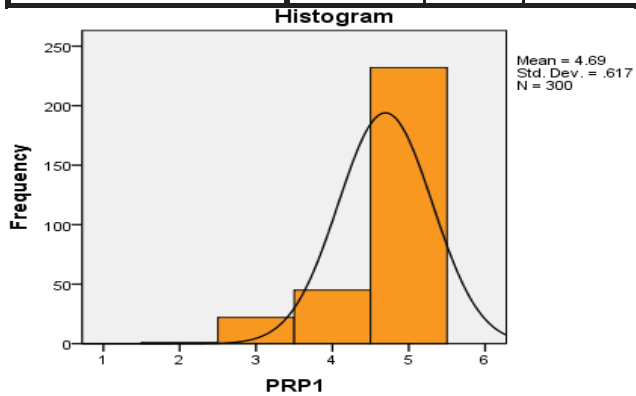
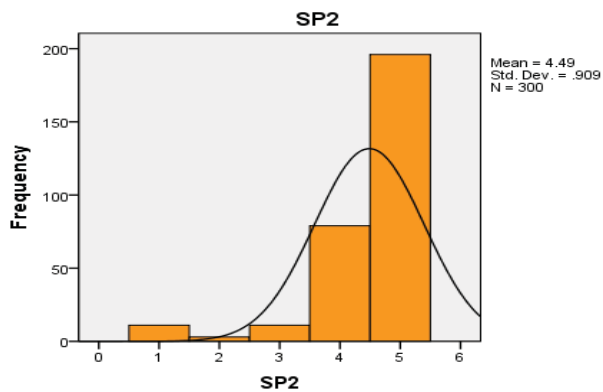**Figure 50: Histogram Showing Distribution for Process Performance-1 Variable**

The above table & histogram provides descriptive statistics for the variable PRP-1, where mean is 4.69 and Std. deviation is 0.617. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed about the satisfaction of their work in inventory.

VARIABLE-6

Table 89: Descriptive Statistics for Process Performance-2 Variable

PRP2	
N	300
Mean	4.69
Std. Deviation	0.656
Skewness	-2.364
Kurtosis	5.597
1/3rd of Mean	1.56

Table 90: Frequency Distribution Table for Process Performance-2 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Somewhat Disagreed	7	2.3	2.3	2.3
Neutral	11	3.7	3.7	6.0
Somewhat Agreed	51	17.0	17.0	23.0
Completely Agreed	231	77.0	77.0	100.0
Total	300	100.0	100.0	
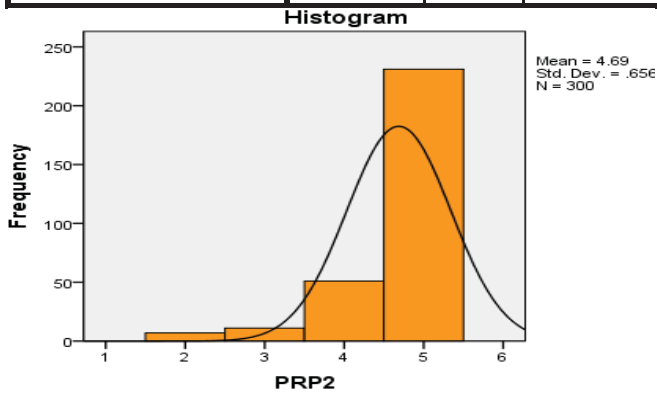
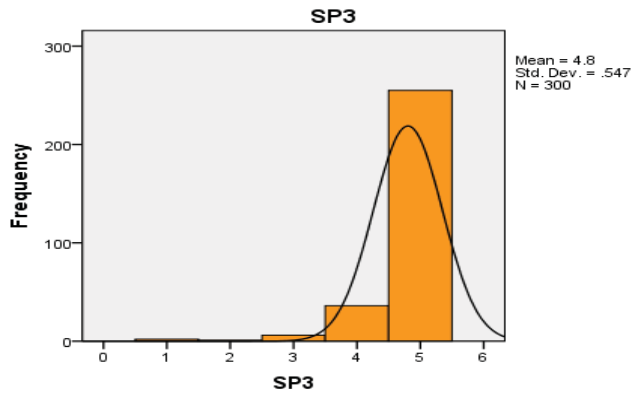**Figure 51: Histogram Showing Distribution for Process Performance-2 Variable**

The above table & histogram provides descriptive statistics for the variable PRP-2, where mean is 4.69 and Std. deviation is 0.656. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed about satisfaction with their order-fulfillment lead.

VARIABLE-7

Table 91: Descriptive Statistics for Process Performance-3 Variable

PRP3	
N	300
Mean	4.76
Std. Deviation	0.593
Skewness	-2.674
Kurtosis	7.082
1/3rd of Mean	1.58

Table 92: Frequency Distribution Table for Process Performance-3 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Somewhat Disagreed	4	1.3	1.3	1.3
Neutral	13	4.3	4.3	5.7
Somewhat Agreed	35	11.7	11.7	17.3
Completely Agreed	248	82.7	82.7	100.0
Total	300	100.0	100.0	
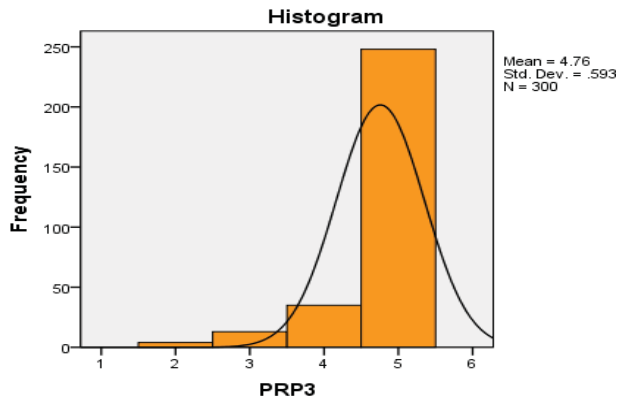
Figure 52: Histogram Showing Distribution for Process Performance-3 Variable

The above table & histogram provides descriptive statistics for the variable PRP-3, where mean is 4.76 and Std. deviation is 0.593. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed about the satisfaction they have with their product quality.

VARIABLE-8

Table 93: Descriptive Statistics for Customer Relationship Performance-1 Variable

CRP1	
N	300
Mean	4.83
Std. Deviation	0.439
Skewness	-3.648
Kurtosis	20.727
$1/3^{rd}$ of Mean	1.61

Table 94: Frequency Distribution Table for Customer Relationship Performance-1 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	1	.3	.3	.3
Neutral	2	.7	.7	1.0
Somewhat Agreed	42	14.0	14.0	15.0
Completely Agreed	255	85.0	85.0	100.0
Total	300	100.0	100.0	
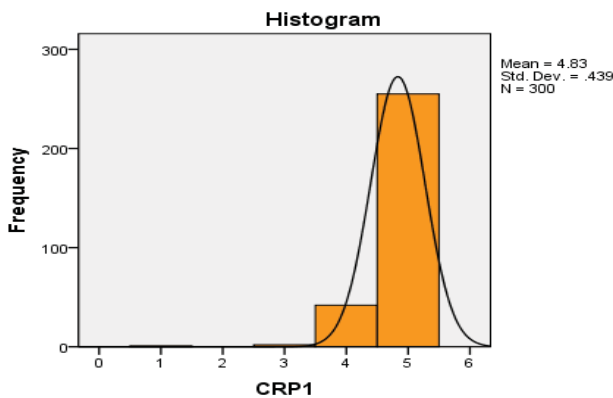
Figure 53: Histogram Showing Distribution for Customer Relationship Performance-1 Variable

The above table & histogram provides descriptive statistics for the variable CRP-1, where mean is 4.83 and Std. deviation is 0.439. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that customer complaints they have received have drastically decreased.

VARIABLE-9

Table 95: Descriptive Statistics for Customer Relationship Performance-2 Variable

CRP2	
N	300
Mean	4.83
Std. Deviation	0.469
Skewness	-3.657
Kurtosis	18.215
1/3rd of Mean	1.61

Table 96: Frequency Distribution Table for Customer Relationship Performance-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	1	.3	.3	.3
Neutral	6	2.0	2.0	2.3
Somewhat Agreed	34	11.3	11.3	13.7
Completely Agreed	259	86.3	86.3	100.0
Total	300	100.0	100.0	
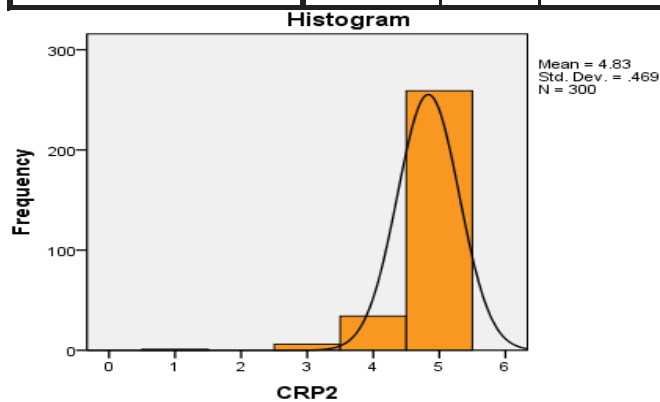
Figure 54: Histogram Showing Distribution for Customer Relationship Performance-2 Variable

The above table & histogram provides descriptive statistics for the variable CRP-2, where mean is 4.83 and Std. deviation is 0.469. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that their ability to attract new clients and retain old ones has increased.

VARIABLE-10

Table 97: Descriptive Statistics for Customer Relationship Performance-3 Variable

CRP3	
N	300
Mean	4.78
Std. Deviation	0.456
Skewness	-1.856
Kurtosis	2.610
1/3rd of Mean	1.59

Table 98: Frequency Distribution Table for Customer Relationship Performance-3 Variable

|		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	5	1.7	1.7	1.7
	Somewhat Agreed	57	19.0	19.0	20.7
	Completely Agreed	238	79.3	79.3	100.0
	Total	300	100.0	100.0	

Figure 55: Histograms Showing Distribution for Customer Relationship Performance-3 Variable

The above table & histogram provides descriptive statistics for the variable CRP-3, where mean is 4.78 and Std. deviation is 0.456. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that their reputation with their clients has increased.

VARIABLE-11

Table 99: Descriptive Statistics for Customer Relationship Performance-4 Variable

CRP4	
N	300
Mean	4.86
Std. Deviation	0.81
Skewness	-2.828
Kurtosis	7.765
1/3rd of Mean	1.62

Table 100: Customer Relationship Performance-4 Variable Frequency Distribution Table

|	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	4	1.3	1.3	1.3
Somewhat Agreed	33	11.0	11.0	12.3
Completely Agreed	263	87.7	87.7	100.0
Total	300	100.0	100.0	

Figure 56: Histogram Showing Distribution for Customer Relationship Performance-4 Variable

The above table & histogram provides descriptive statistics for the variable CRP-4, where mean is 4.86 and Std. deviation is 0.381. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that their product return rate has drastically decreased.

VARIABLE-12

Table 101: Descriptive Statistics for People Performance-1 Variable

PPP1	
N	300
Mean	4.74
Std. Deviation	0.521
Skewness	-1.935
Kurtosis	2.889
1/3rd of Mean	1.58

Table 102: Frequency Distribution Table for People Performance-1 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	12	4.0	4.0	4.0
Somewhat Agreed	53	17.7	17.7	21.7
Completely Agreed	235	78.3	78.3	100.0
Total	300	100.0	100.0	
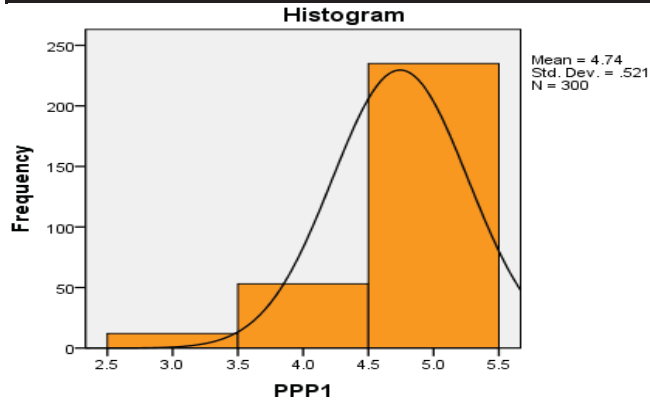
Figure 57: Histogram Showing Distribution for People Performance-1 Variable

The above table & histogram provides descriptive statistics for the variable PPP-1, where mean is 4.74 and Std. deviation is 0.521. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that the attrition rate in their organization has decreased.

VARIABLE-13

Table 103: Descriptive Statistics for People Performance-2 Variable

PPP2	
N	300
Mean	4.85
Std. Deviation	0.485
Skewness	-4.091
Kurtosis	20.480
1/3rd of Mean	1.61

Table 104: Frequency Distribution Table for People Performance-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	1	.3	.3	.3
Somewhat Disagreed	1	.3	.3	.7
Neutral	7	2.3	2.3	3.0
Somewhat Agreed	24	8.0	8.0	11.0
Completely Agreed	267	89.0	89.0	100.0
Total	300	100.0	100.0	
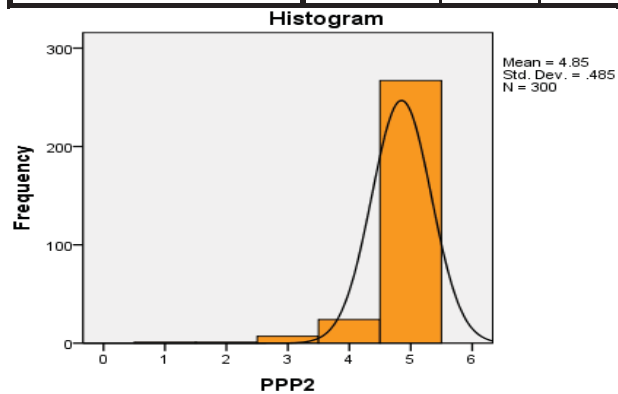
Figure 58: Histogram Showing Distribution for People Performance-2 Variable

The above table & histogram provides descriptive statistics for the variable PPP-2, where mean is 4.85 and Std. deviation is 0.485. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that the productivity of their employees has increased.

VARIABLE-14

Table 105: Descriptive Statistics for People Performance-3 Variable

PPP3	
N	300
Mean	4.88
Std. Deviation	0.364
Skewness	-3.148
Kurtosis	9.915
1/3rd of Mean	1.62

Table 106: Frequency Distribution Table for People Performance-3 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	4	1.3	1.3	1.3
Somewhat Agreed	28	9.3	9.3	10.7
Completely Agreed	268	89.3	89.3	100.0
Total	300	100.0	100.0	
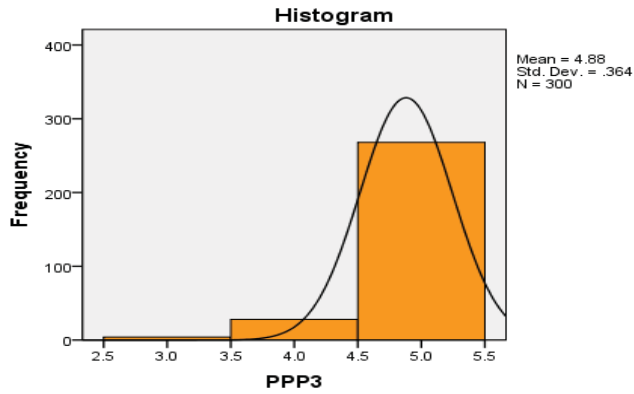
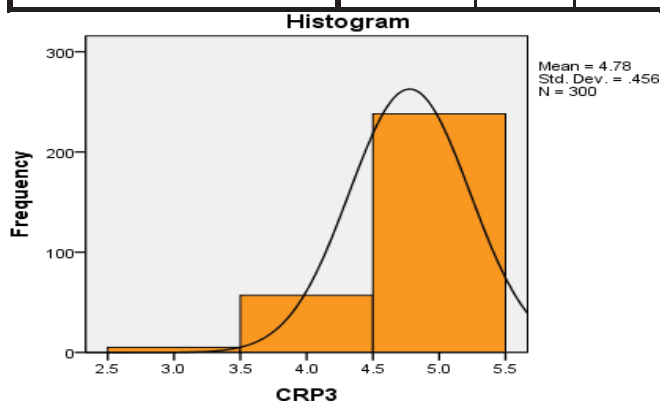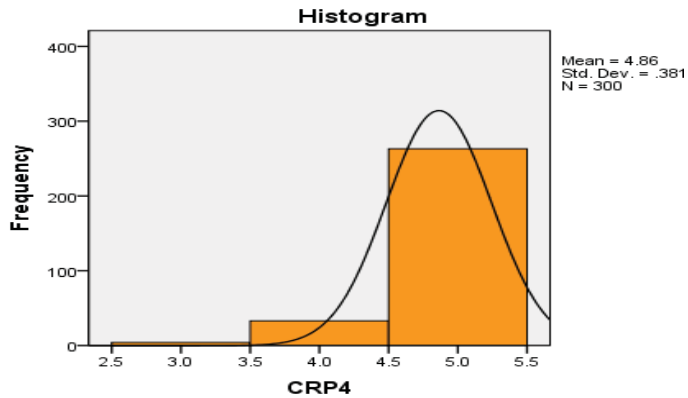**Figure 59: Histogram Showing Distribution for People Performance-3 Variable**

The above table & histogram provides descriptive statistics for the variable PPP-3, where mean is 4.88 and Std. deviation is 0.364. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that the level of commitment of employees towards the organization has improved.

VARIABLE-15

Table 107 – Descriptive Statistics for People Performance-4 Variable

PPP4	
N	300
Mean	4.73
Std. Deviation	0.574
Skewness	-2.902
Kurtosis	11.952
1/3rd of Mean	1.57

Table 108 – Frequency Distribution Table for People Performance-4 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Somewhat Disagreed	2	.7	.7	.7
Neutral	8	2.7	2.7	3.3
Somewhat Agreed	56	18.7	18.7	22.0
Completely Agreed	234	78.0	78.0	100.0
Total	300	100.0	100.0	
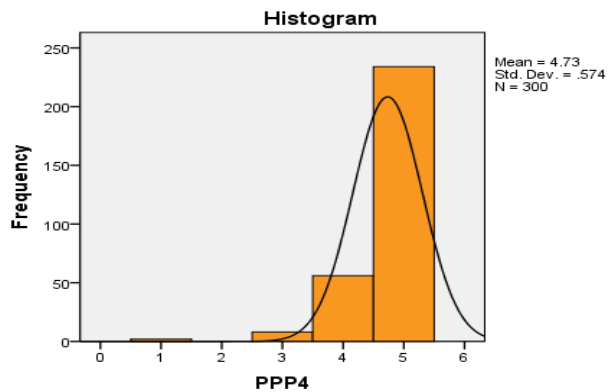
Figure 60 – Histogram Showing Distribution for People Performance-4 Variable

The above table & histogram provides descriptive statistics for the variable PPP-4, where mean is 4.73 and Std. deviation is 0.574. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that the willingness of employees to put extra efforts has increased.

VARIABLE-16

Table 109 – Descriptive Statistics for People Performance-5 Variable

PPP5	
N	300
Mean	4.73
Std. Deviation	0.615
Skewness	-2.972
Kurtosis	11.129
1/3rd of Mean	1.57

Table 110 – Frequency Distribution Table for People Performance-5 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	2	.7	.7	.7
Somewhat Disagreed	2	.7	.7	1.3
Neutral	9	3.0	3.0	4.3
Somewhat Agreed	49	16.3	16.3	20.7
Completely Agreed	238	79.3	79.3	100.0
Total	300	100.0	100.0	

Figure 61 – Histogram Showing Distribution for People Performance-5 Variable

The above table & histogram provides descriptive statistics for the variable PPP-5, where mean is 4.73 and Std. deviation is 0.615. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that their employees' ability to learn and adapt to new assignments has increased.

VARIABLE-17

Table 111 – Descriptive Statistics for People Performance-6 Variable

PPP6	
N	300
Mean	4.70
Std. Deviation	0.559
Skewness	-1.806
Kurtosis	2.890
1/3rd of Mean	1.56

Table 112 – Frequency Distribution Table for People Performance-6 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Somewhat Disagreed	1	.3	.3	.3
Neutral	12	4.0	4.0	4.3
Somewhat Agreed	64	21.3	21.3	25.7
Completely Agreed	223	74.3	74.3	100.0
Total	300	100.0	100.0	
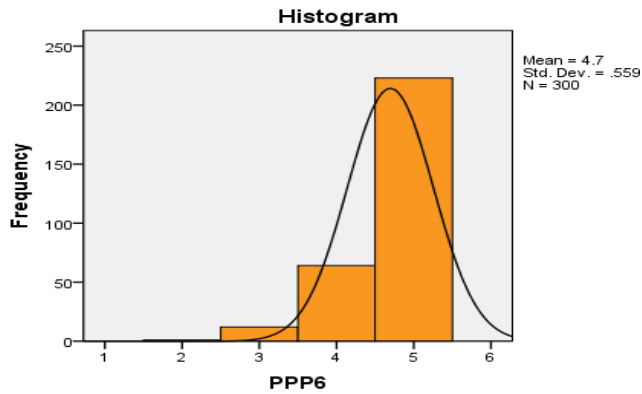
Figure 62 – Histogram Showing Distribution for People Performance-6 Variable

The above table & histogram provides descriptive statistics for the variable PPP-6, where mean is 4.70 and Std. deviation is 0.559. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that the Absenteeism of employees in their organization has reduced absenteeism.

VARIABLE-18

Table 113 – Descriptive Statistics for People Performance-7 Variable

PPP7	
N	300
Mean	4.73
Std. Deviation	0.527
Skewness	-1.832
Kurtosis	2.483
1/3rd of Mean	1.57

Table 114 – Frequency Distribution Table for People Performance-7 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	12	4.0	4.0	4.0
Somewhat Agreed	57	19.0	19.0	23.0
Completely Agreed	231	77.0	77.0	100.0
Total	300	100.0	100.0	
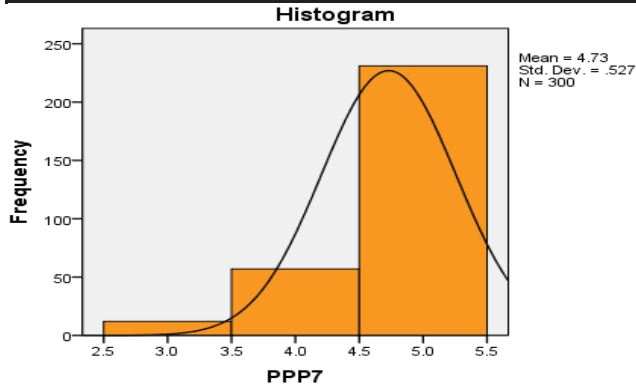
Figure 63 – Histogram Showing Distribution for People Performance-7 Variable

The above table & histogram provides descriptive statistics for the variable PPP-7, where mean is 4.73 and Std. deviation is 0.527. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that the level of unhappiness and frustration towards the organization has diminished.

Entrepreneurial Orientation

VARIABLE-1

Table 115 – Descriptive Statistics for Autonomy-1 Variable

A1	
N	300
Mean	4.73
Std. Deviation	0.651
Skewness	-3.480
Kurtosis	14.851
1/3rd of Mean	1.57

Table 116 – Frequency Distribution Table for Autonomy-1 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	4	1.3	1.3	1.3
Somewhat Disagreed	2	.7	.7	2.0
Neutral	4	1.3	1.3	3.3
Somewhat Agreed	50	16.7	16.7	20.0
Completely Agreed	240	80.0	80.0	100.0
Total	300	100.0	100.0	
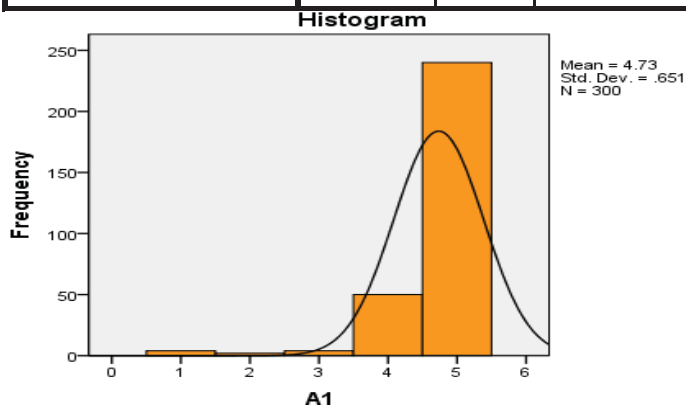
Figure 64 – Histogram Showing Distribution for Autonomy-1 Variable

The above table & histogram provides descriptive statistics for the variable A-1, where mean is 4.73 and Std. deviation is 0.651. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they can do their job without continuous supervision.

VARIABLE-2

Table 117 – Descriptive Statistics for Autonomy-2 Variable

A2	
N	300
Mean	4.87
Std. Deviation	0.412
Skewness	-3.525
Kurtosis	14.029
1/3rd of Mean	1.62

Table 118: Frequency Distribution Table for Autonomy-1 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Somewhat Disagreed	1	.3	.3	.3
Neutral	5	1.7	1.7	2.0
Somewhat Agreed	27	9.0	9.0	11.0
Completely Agreed	267	89.0	89.0	100.0
Total	300	100.0	100.0	
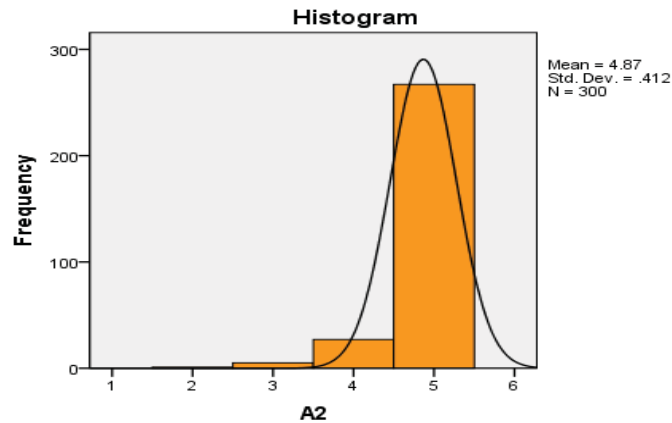
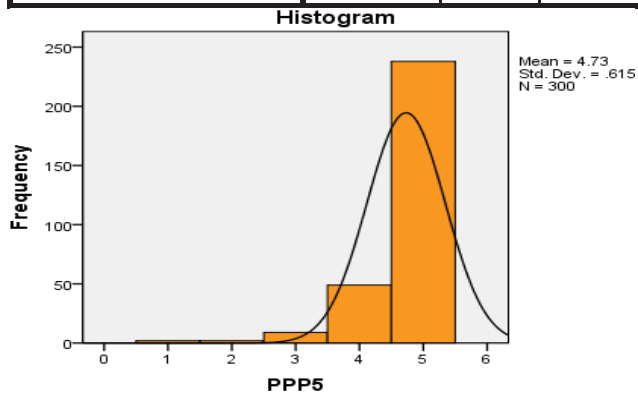**Figure 65 – Histogram Showing Distribution for Autonomy-2 Variable**

The above table & histogram provides descriptive statistics for the variable A-2, where mean is 4.87 and Std. deviation is 0.412. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that their organization gives them liberty to use innovative methods to do their job.

VARIABLE-3

Table 119: Descriptive Statistics for Autonomy-3 Variable

A3	
N	300
Mean	4.29
Std. Deviation	1.334
Skewness	-1.698
Kurtosis	1.307
1/3rd of Mean	1.43

Table 120 – Frequency Distribution Table for Autonomy-3 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	30	10.0	10.0	10.0
Somewhat Disagreed	15	5.0	5.0	15.0
Neutral	10	3.3	3.3	18.3
Somewhat Agreed	27	9.0	9.0	27.3
Completely Agreed	218	72.7	72.7	100.0
Total	300	100.0	100.0	
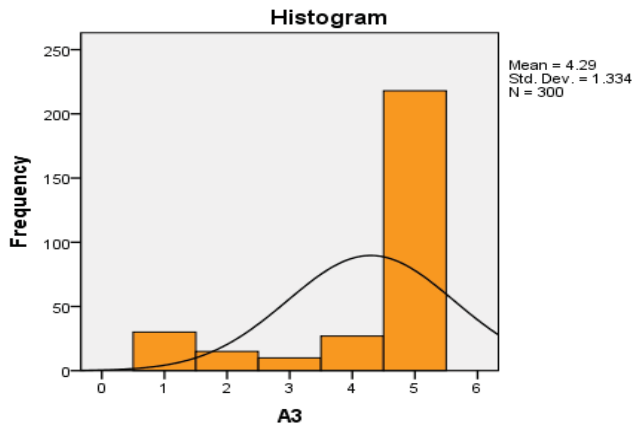
Figure 66 – Histogram Showing Distribution for Autonomy-3 Variable

The above table & histogram provides descriptive statistics for the variable A-3, where mean is 4.29 and Std. deviation is 1.334. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that employees can make task decisions independently without needing approval from authorities.

VARIABLE-4

Table 121 – Descriptive Statistics for Autonomy-4 Variable

A4	
N	300
Mean	4.69
Std. Deviation	0.685
Skewness	-2.913
Kurtosis	10.090
1/3rd of Mean	1.56

Table 122 – Frequency Distribution Table for Autonomy-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	3	1.0	1.0	1.0
Somewhat Disagreed	4	1.3	1.3	2.3
Neutral	8	2.7	2.7	5.0
Somewhat Agreed	53	17.7	17.7	22.7
Completely Agreed	232	77.3	77.3	100.0
Total	300	100.0	100.0	
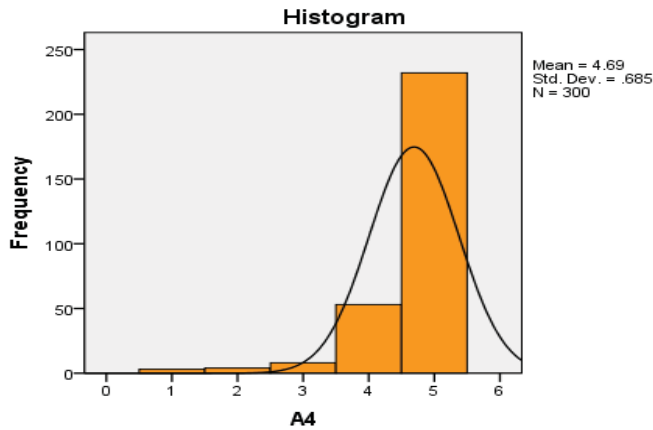
Figure 67 – Histogram Showing Distribution for Autonomy-4 Variable

The above table & histogram provides descriptive statistics for the variable A-4, where mean is 4.69 and Std. deviation is 0.685. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that employees are inspired to manage their own work and approach problem solving with flexibility.

VARIABLE-5

Table 123 –Descriptive Statistics for Innovativeness-1 Variable

IN1	
N	300
Mean	4.55
Std. Deviation	0.866
Skewness	-2.659
Kurtosis	7.676
1/3rd of Mean	1.51

Table 124 – Frequency Distribution Table for Innovativeness-1 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	10	3.3	3.3	3.3
Somewhat Disagreed	3	1.0	1.0	4.3
Neutral	6	2.0	2.0	6.3
Somewhat Agreed	74	24.7	24.7	31.0
Completely Agreed	207	69.0	69.0	100.0
Total	300	100.0	100.0	
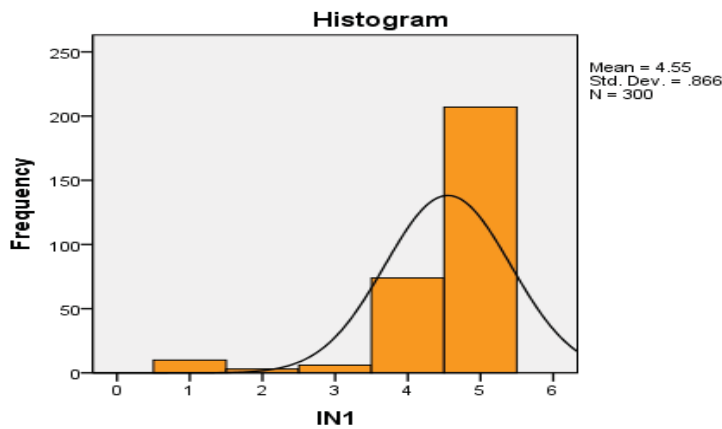
Figure 68 – Histogram Showing Distribution for Innovativeness-1 Variable

The above table & histogram provides descriptive statistics for the variable IN-1, where mean is 4.69 and Std. deviation is 0.685. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they introduce new products frequently.

VARIABLE-6

Table 125 – Descriptive Statistics for Innovativeness-2 Variable

IN2	
N	300
Mean	4.73
Std. Deviation	0.514
Skewness	-2.349
Kurtosis	9.159
1/3rd of Mean	1.57

Table 126 – Frequency Distribution Table for Innvoativeness-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	1	.3	.3	.3
Neutral	4	1.3	1.3	1.7
Somewhat Agreed	69	23.0	23.0	24.7
Completely Agreed	226	75.3	75.3	100.0
Total	300	100.0	100.0	
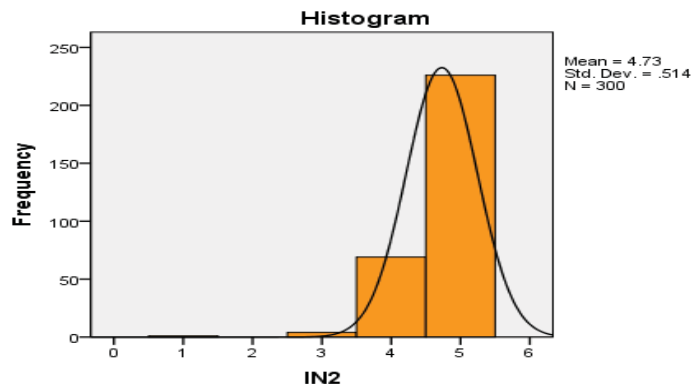
Figure 69 – Histogram Showing Distribution for Innovativeness-2 Variable

The above table & histogram provides descriptive statistics for the variable IN-2, where mean is 4.73 and Std. deviation is 0.514. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they always emphasize developing new process and products.

VARIABLE-7

Table 127 – Descriptive Statistics for Innovativeness-3 Variable

IN3	
N	300
Mean	4.62
Std. Deviation	0.691
Skewness	-2.093
Kurtosis	4.832
1/3rd of Mean	1.54

Table 128 – Frequency Distribution Table for Innovativeness-3 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	1	.3	.3	.3
Somewhat Disagreed	5	1.7	1.7	2.0
Neutral	15	5.0	5.0	7.0
Somewhat Agreed	65	21.7	21.7	28.7
Completely Agreed	214	71.3	71.3	100.0
Total	300	100.0	100.0	
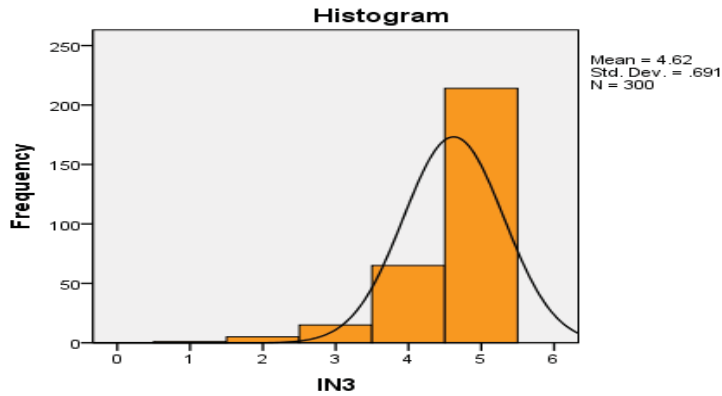
Figure 70 – Histogram Showing Distribution for Innovativeness-3 Variable

The above table & histogram provides descriptive statistics for the variable IN-3, where mean is 4.62 and Std. deviation is 0.691. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that the number of products they offer has increased.

VARIABLE-8

Table 129 – Descriptive Statistics for Innovativeness-4 Variable

IN4	
N	300
Mean	4.78
Std. Deviation	0.498
Skewness	-2.843
Kurtosis	12.171
1/3rd of Mean	1.59

Table 130 – Frequency Distribution Table for Innovativeness-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	1	.3	.3	.3
Neutral	5	1.7	1.7	2.0
Somewhat Agreed	53	17.7	17.7	19.7
Completely Agreed	241	80.3	80.3	100.0
Total	300	100.0	100.0	
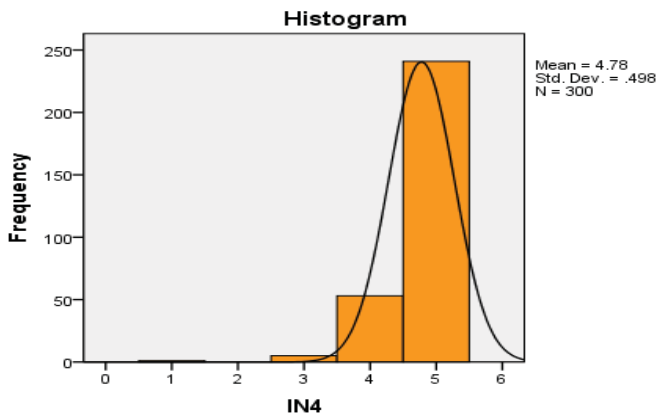
Figure 71 – Histogram Showing Distribution for Innovativeness-4 Variable

The above table & histogram provides descriptive statistics for the variable IN-4, where mean is 4.78 and Std. deviation is 0.498. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they continuously look out for new opportunities.

VARIABLE-9

Table 131 – Descriptive Statistics for Innovativeness-5 Variable

IN5	
N	300
Mean	4.69
Std. Deviation	0.665
Skewness	-2.992
Kurtosis	11.607
1/3rd of Mean	1.56

Table 132 – Frequency Distribution Table for Innovativeness-5 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	4	1.3	1.3	1.3
Neutral	10	3.3	3.3	4.7
Somewhat Agreed	57	19.0	19.0	23.7
Completely Agreed	229	76.3	76.3	100.0
Total	300	100.0	100.0	
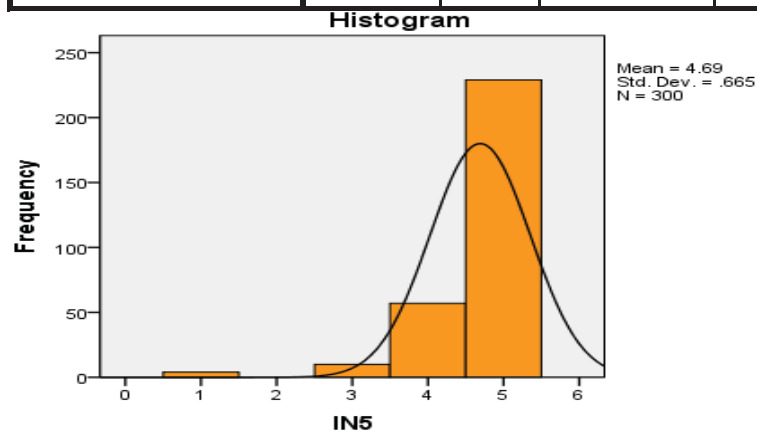
Figure 72 – Histogram Showing Distribution for Innovativeness-5 Variable

The above table & histogram provides descriptive statistics for the variable IN-5, where mean is 4.69 and Std. deviation is 0.665. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that changes in their processes and products have been spectacular.

VARIABLE-10

Table 133 – Descriptive Statistics for Innovativeness-6 Variable

IN6	
N	300
Mean	4.74
Std. Deviation	0.588
Skewness	-2.961
Kurtosis	10.872
1/3rd of Mean	1.58

Table 134 – Frequency Distribution Table for Innovativeness-6 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	1	.3	.3	.3
Somewhat Disagreed	4	1.3	1.3	1.7
Neutral	5	1.7	1.7	3.3
Somewhat Agreed	51	17.0	17.0	20.3
Completely Agreed	239	79.7	79.7	100.0
Total	300	100.0	100.0	
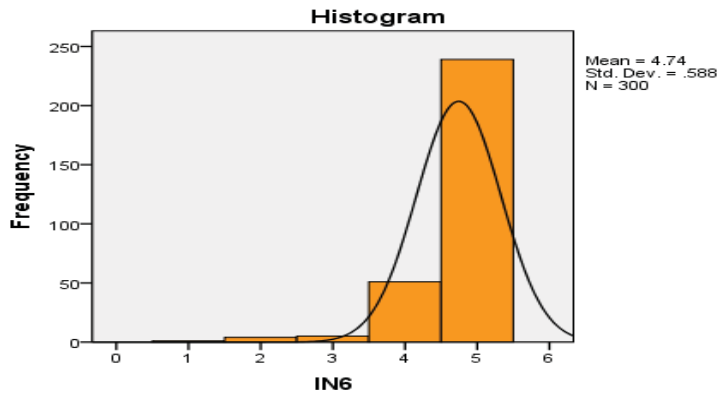
Figure 73 – Histogram Showing Distribution for Innovativeness-6 Variable

The above table & histogram provides descriptive statistics for the variable IN-6, where mean is 4.74 and Std. deviation is 0.588. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that the ideas generated are implemented successfully.

VARIABLE-11

Table 135 – Descriptive Statistics for Innovativeness-7 Variable

IN7	
N	300
Mean	4.75
Std. Deviation	0.503
Skewness	-2.098
Kurtosis	4.565
1/3rd of Mean	1.58

Table 136 – Frequency Distribution Table for Innovativeness-7 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Somewhat Disagreed	1	.3	.3	.3
Neutral	7	2.3	2.3	2.7
Somewhat Agreed	57	19.0	19.0	21.7
Completely Agreed	235	78.3	78.3	100.0
Total	300	100.0	100.0	
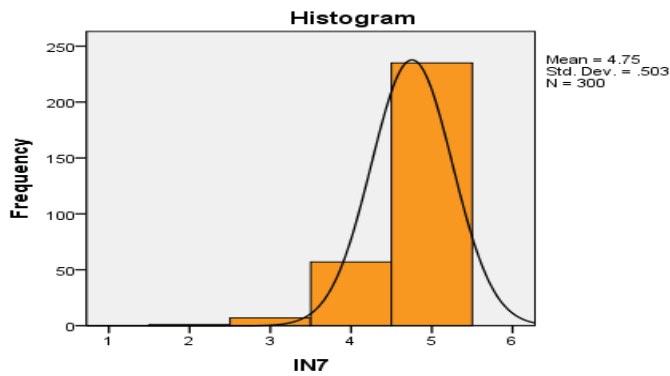
Figure 74 – Histogram Showing Distribution for Innovativeness-7 Variable

The above table & histogram provides descriptive statistics for the variable IN-7, where mean is 4.75 and Std. deviation is 0.503. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they focus on improvements in products and processes.

VARIABLE-12

Table 137 – Descriptive Statistics for Innovativeness-8 Variable

IN8	
N	300
Mean	4.83
Std. Deviation	0.442
Skewness	-3.586
Kurtosis	20.122
1/3rd of Mean	1.61

Table 138 – Frequency Distribution Table for Innovativeness-8 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	1	.3	.3	.3
Neutral	2	.7	.7	1.0
Somewhat Agreed	43	14.3	14.3	15.3
Completely Agreed	254	84.7	84.7	100.0
Total	300	100.0	100.0	
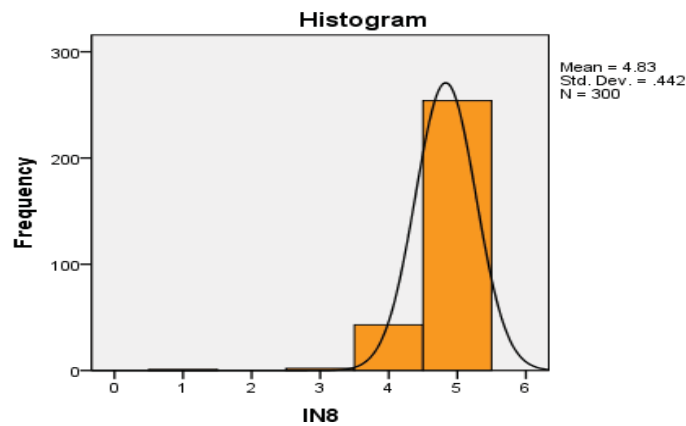
Figure 75 – Histogram Showing Distribution for Innovativeness-8 Variable

The above table & histogram provides descriptive statistics for the variable IN-8, where mean is 4.83 and Std. deviation is 0.442. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they believe innovation is a necessity of life.

VARIABLE-13

Table 139 – Descriptive Statistics for Risk-Taking-1 Variable

RT1	
N	300
Mean	4.63
Std. Deviation	0.981
Skewness	-2.978
Kurtosis	7.919
$1/3^{rd}$ of Mean	1.54

Table 140 – Frequency Distribution Table for Risk-Taking-1 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely disagreed	16	5.3	5.3	5.3
Somewhat disagreed	3	1.0	1.0	6.3
Neutral	4	1.3	1.3	7.7
Somewhat agreed	29	9.7	9.7	17.3
Completely agreed	248	82.7	82.7	100.0
Total	300	100.0	100.0	

Mean = 4.63
Std. Dev. = .981
N = 300
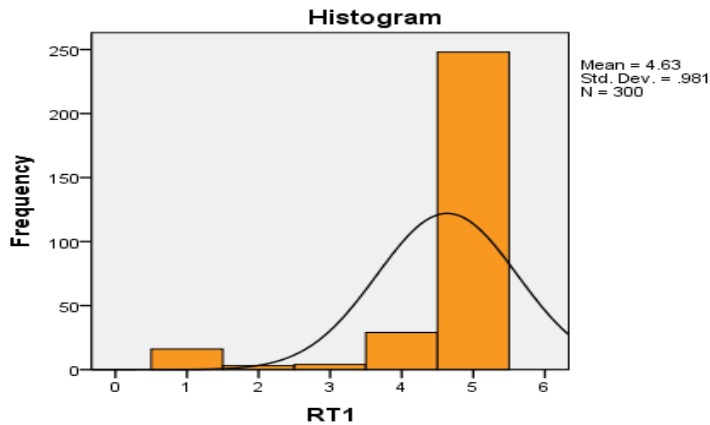
Figure 76 – Histogram Showing Distribution for Risk-Taking-1 Variable

The above table & histogram provides descriptive statistics for the variable RT-1, where mean is 4.63 and Std. deviation is 0.981. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they try to exploit the opportunities in case of ambivalent decisions.

VARIABLE-14

Table 141 – Descriptive Statistics for Risk-Taking-2 Variable

RT2	
N	300
Mean	4.50
Std. Deviation	0.963
Skewness	-2.367
Kurtosis	5.445
1/3rd of Mean	1.5

Table 142 – Frequency Distribution Table for Risk-Taking-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely disagreed	13	4.3	4.3	4.3
Somewhat disagreed	2	.7	.7	5.0
Neutral	17	5.7	5.7	10.7
Somewhat agreed	58	19.3	19.3	30.0
Completely agreed	210	70.0	70.0	100.0
Total	300	100.0	100.0	
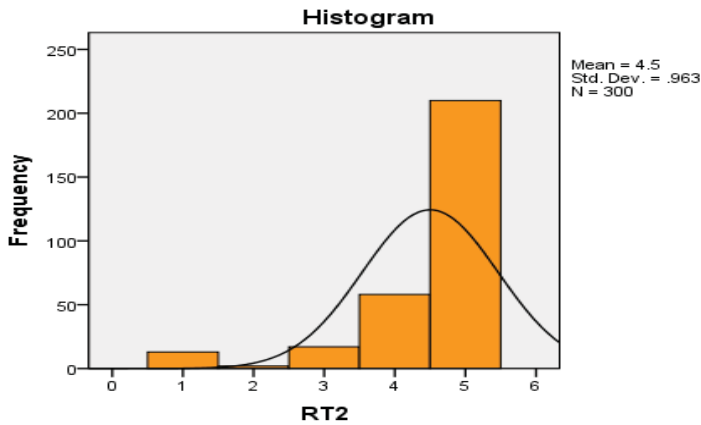
Figure 77 – Histogram Showing Distribution for Risk-Taking-2 Variable

The above table & histogram provides descriptive statistics for the variable RT-2, where mean is 4.5 and Std. deviation is 0.963. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that employees are allowed to take calculated risks when implementing new ideas.

VARIABLE-15

Table 143 – Descriptive Statistics for Risk-Taking-3 Variable

RT3	
N	300
Mean	4.59
Std. Deviation	1.026
Skewness	-2.602
Kurtosis	5.724
1/3rd of Mean	1.52

Table 144 – Frequency Distribution Table for Risk-Taking-3 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	15	5.0	5.0	5.0
Somewhat Disagreed	6	2.0	2.0	7.0
Neutral	13	4.3	4.3	11.3
Somewhat Agreed	20	6.7	6.7	18.0
Completely Agreed	246	82.0	82.0	100.0
Total	300	100.0	100.0	
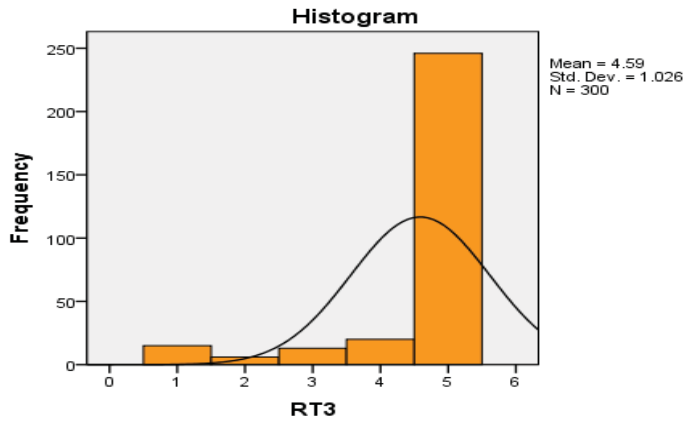
Figure 78 – Histogram Showing Distribution for Risk-Taking-3 Variable

The above table & histogram provides descriptive statistics for the variable RT-3, where mean is 4.59 and Std. deviation is 1.026. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they are always ready to work on high-risk projects.

VARIABLE-16

Table 145 – Descriptive Statistics for Risk-Taking-4 Variable

RT4	
N	300
Mean	4.70
Std. Deviation	0.775
Skewness	-3.285
Kurtosis	11.523
1/3rd of Mean	1.56

Table 146 – Frequency Distribution Table for Risk-Taking-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely disagreed	7	2.3	2.3	2.3
Somewhat disagreed	3	1.0	1.0	3.3
Neutral	7	2.3	2.3	5.7
Somewhat agreed	40	13.3	13.3	19.0
Completely agreed	243	81.0	81.0	100.0
Total	300	100.0	100.0	
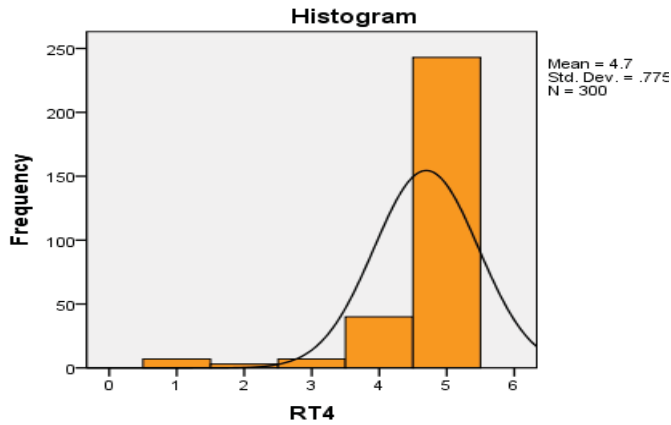
Figure 79 – Histogram Showing Distribution for Risk-Taking-4 Variable

The above table & histogram provides descriptive statistics for the variable RT-4, where mean is 4.70 and Std. deviation is 0.775. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they believe bold acts are necessary to achieve objectives.

VARIABLE-17

Table 147 – Descriptive Statistics for Proactiveness-1 Variable

PA1	
N	300
Mean	4.65
Std. Deviation	0.664
Skewness	-2.507
Kurtosis	8.427
1/3rd of Mean	1.55

Table 148 – Frequency Distribution Table for Proactiveness-1 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely disagreed	3	1.0	1.0	1.0
Neutral	14	4.7	4.7	5.7
Somewhat agreed	64	21.3	21.3	27.0
Completely agreed	219	73.0	73.0	100.0
Total	300	100.0	100.0	
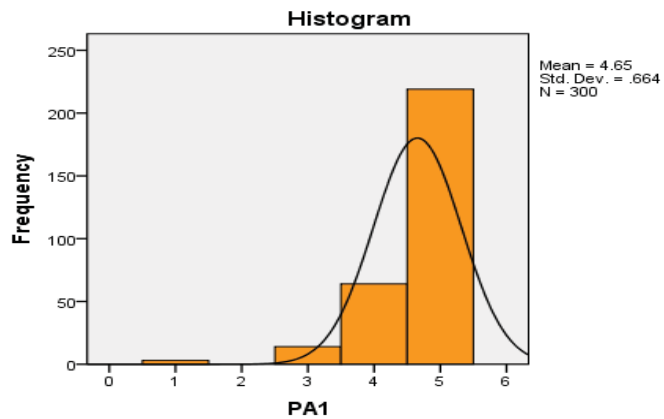
Figure 80 – Histogram Showing Distribution for Proactiveness-1 Variable

The above table & histogram provides descriptive statistics for the variable PA-1, where mean is 4.65 and Std. deviation is 0.664. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they are always enthusiastic to introduce new products in this competitive market.

VARIABLE-18

Table 149 – Descriptive Statistics for Proactiveness-2 Variable

PA2	
N	300
Mean	4.68
Std. Deviation	0.762
Skewness	-2.940
Kurtosis	9.365
1/3rd of Mean	1.55

Table 150 – Frequency Distribution Table for Proactiveness-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely disagreed	5	1.7	1.7	1.7
Somewhat disagreed	4	1.3	1.3	3.0
Neutral	12	4.0	4.0	7.0
Somewhat agreed	41	13.7	13.7	20.7
Completely agreed	238	79.3	79.3	100.0
Total	300	100.0	100.0	
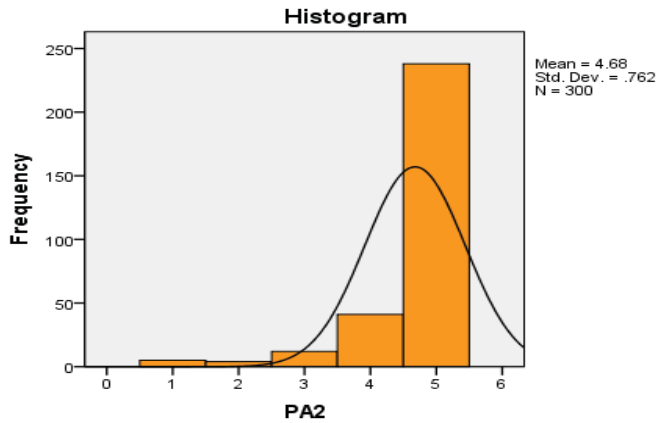
Figure 81 – Histogram Showing Distribution for Proactiveness-2 Variable

The above table & histogram provides descriptive statistics for the variable PA-2, where mean is 4.68 and Std. deviation is 0.762. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they actively initiate actions to which their competitor responds.

VARIABLE-19

Table 151 – Descriptive Statistics for Proactiveness-3 Variable

PA3	
N	300
Mean	4.29
Std. Deviation	1.230
Skewness	-1.867
Kurtosis	2.306
1/3rd of Mean	1.43

Table 152 – Frequency Distribution Table for Proactiveness-3 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely disagreed	29	9.7	9.7	9.7
Somewhat disagreed	3	1.0	1.0	10.7
Neutral	12	4.0	4.0	14.7
Somewhat agreed	63	21.0	21.0	35.7
Completely agreed	193	64.3	64.3	100.0
Total	300	100.0	100.0	
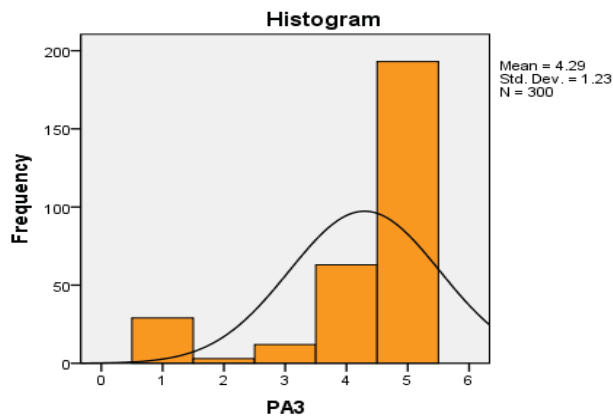
Figure 82 – Histogram Showing Distribution for Proactiveness-3 Variable

The above table & histogram provides descriptive statistics for the variable PA-3, where mean is 4.29 and Std. deviation is 1.230. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they conduct market surveys to find out the future needs of their customers.

VARIABLE-20

Table 153 – Descriptive Statistics for Competitive Aggressiveness-1 Variable

CA1	
N	300
Mean	4.62
Std. Deviation	0.666
Skewness	-2.327
Kurtosis	7.719
1/3rd of Mean	1.54

Table 154 – Frequency Distribution Table for Competitive Aggressiveness-1 Variable

	Frequency	Percent	Valid Percent	Cumulative Percent
Completely disagreed	3	1.0	1.0	1.0
Neutral	13	4.3	4.3	5.3
Somewhat agreed	76	25.3	25.3	30.7
Completely agreed	208	69.3	69.3	100.0
Total	300	100.0	100.0	

Histogram

Mean = 4.62
Std. Dev. = .666
N = 300
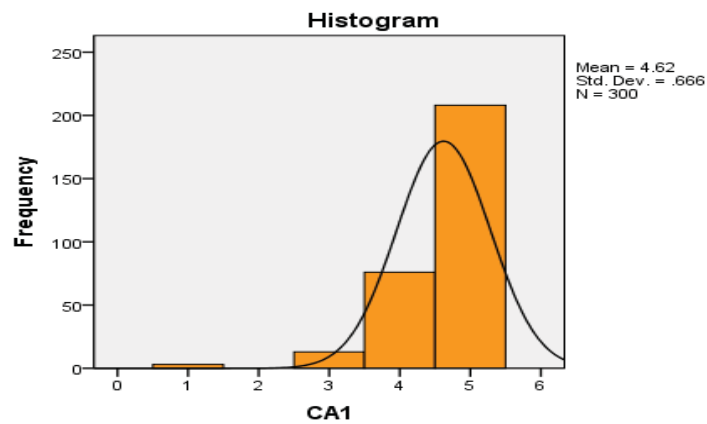
Figure 83 – Histogram Showing Distribution for Competitive Aggressiveness-1 Variable

The above table & histogram provides descriptive statistics for the variable CA-1, where mean is 4.62 and Std. deviation is 0.666. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they take aggressive approaches when dealing with the competition.

VARIABLE-21

Table 155 – Descriptive Statistics for Competitive Aggressiveness-2 Variable

CA2	
N	300
Mean	4.79
Std. Deviation	0.464
Skewness	-2.088
Kurtosis	3.673
1/3rd of Mean	1.59

Table 156 – frequency Distribution Table for Competitive Aggressiveness-2 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
NEUTRAL	7	2.3	2.3	2.3
SOMEWHAT AGREED	50	16.7	16.7	19.0
COMPLETELY AGREED	243	81.0	81.0	100.0
Total	300	100.0	100.0	
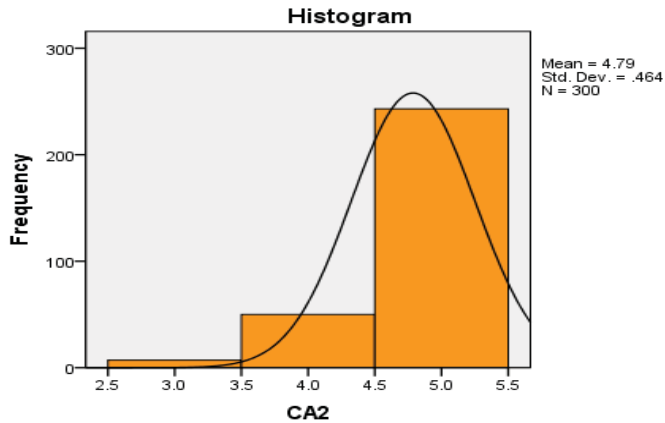
Figure 84 – Histogram Showing Distribution for Competitive Aggressiveness-2 Variable

The above table & histogram provides descriptive statistics for the variable CA-2, where mean is 4.79 and Std. deviation is 0.464. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that their organization is highly competitive.

VARIABLE-22

Table 157 – Descriptive Statistics for Competitive Aggressiveness-3 Variable

CA3	
N	300
Mean	4.72
Std. Deviation	0.539
Skewness	-2.284
Kurtosis	7.902
1/3rd of Mean	1.57

Table 158 – Frequency Distribution Table for Competitive Aggressiveness-3 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	1	.3	.3	.3
Neutral	7	2.3	2.3	2.7
Somewhat Agreed	67	22.3	22.3	25.0
Completely Agreed	225	75.0	75.0	100.0
Total	300	100.0	100.0	
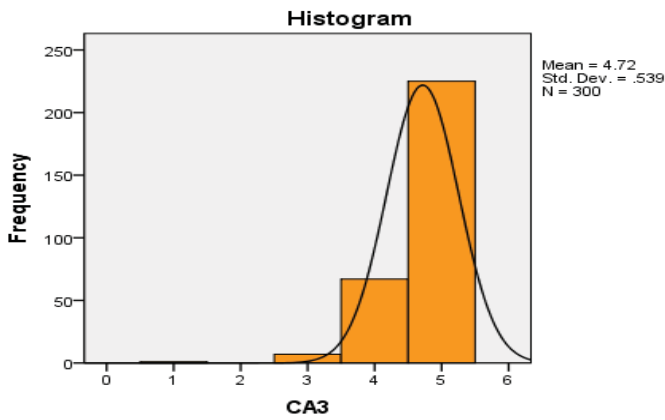
Figure 85 – Histogram Showing Distribution for Competitive Aggressiveness-3 Variable

The above table & histogram provides descriptive statistics for the variable CA-3, where mean is 4.72 and Std. deviation is 0.539. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that they adopt a confrontation strategy to combat industry trends which threaten their survival or growth.

VARIABLE-23

Table 159 – Descriptive Statistics for Competitive Aggressiveness-4 Variable

CA4	
N	300
Mean	4.42
Std. Deviation	1.153
Skewness	-2.252
Kurtosis	3.969
1/3rd of Mean	1.47

Table 160 – Frequency Distribution Table for Competitive Aggressiveness-4 Variable

|	Frequency	Percent	Valid Percent	Cumulative Percent
Completely Disagreed	26	8.7	8.7	8.7
Neutral	6	2.0	2.0	10.7
Somewhat Agreed	57	19.0	19.0	29.7
Completely Agreed	211	70.3	70.3	100.0
Total	300	100.0	100.0	
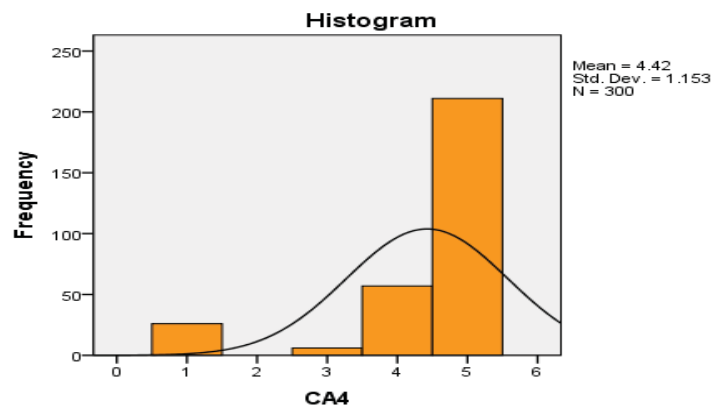
Figure 86 – Histogram Showing Distribution for Competitive Aggressiveness-4 Variable

The above table & histogram provides descriptive statistics for the variable CA-4, where mean is 4.42 and Std. deviation is 1.153. Since Std. deviation is less than the one third of the mean, mean is a representative value.

Conclusion: We can conclude that owner/managers are completely agreed that being overly aggressive may spoil their reputation or image.

4.3   Statistical Tests (Hypothesis Testing)

Research Question-1: Does Gender influence Leadership Styles and Entrepreneurial orientation?

- Statistical Test: MANOVA

- Variables and Measurement

- Independent Variable: Gender- Male & Female

Table 161: MANOVA – Between Subject Factors for Gender

Between-Subjects Factors		
Gender	Value Label	N
1	Female	14
2	Male	286

Dependent Variable

1. Transformational Leadership
2. Transactional Leadership
3. Passive-avoidant Leadership
4. Entrepreneurial Orientation

Hypothesis

- H0: Gender does not influence Leadership Styles and Entrepreneurial orientation.

- H1: Gender does influence Leadership Styles and Entrepreneurial orientation.

Level of Significance α = 0.05

Table 162 –MANOVA (GENDER) – Leadership Styles and Entrepreneurial Orientation

Descriptive Statistics				
	Gender	Mean	Std. Deviation	N
Transformational	Female	72.64	2.530	14
	Male	72.73	6.420	286
	Total	72.72	6.290	300
Transactional	Female	30.00	1.881	14
	Male	29.53	3.114	286
	Total	29.55	3.067	300
*Passive	Female	13.07	6.474	14
	Male	11.51	4.455	286
	Total	11.58	4.566	300
Entrepreneurial	Female	109.07	6.580	14
	Male	106.76	8.873	286
	Total	106.86	8.785	300

A Hotelling's T^2 between subjects MANOVA was conducted on 4 dependent variables (Transformational Leadership, Transactional Leadership, Passive-avoidant Leadership, and Entrepreneurial orientation).

Table 163: MANOVA (GENDER) – Bartlett's Test of Sphericity

Bartlett's Test of Sphericity	
Likelihood Ratio	.000
Approx. Chi-Square	647.993
Df	9
Sig.	.000

The Bartlett's Test of Sphericity is statistically significant; p value is less than 0.001 indicating sufficient correlation between dependent variables to proceed with the analysis.

Table 164: MANOVA (GENDER) – Box's Test of Equality of Covariance Matrices

Box's Test of Equality of Covariance Matrices	
Box's M	27.366
F	2.422
df1	10
df2	2162.268
Sig.	.007

The sample consisted of 300 respondents. Box's Test of Equality of Covariance Matrices was statistically insignificant (p value is more than 0.001).

This Indicated that the observed covariance matrices of the dependent variable were equal across independent variable groups, thus Hotelling's trace was employed to evaluate all multivariate effects. The Hotelling's trace was not significant at 5% level of significance.

Table 165: MANOVA (GENDER) – Multivariate Tests

Multivariate Tests

Effect		Value	F	Hypothesis df	Error df	Sig.
Gender	Pillai's Trace	.012	.873	4.000	295.000	.481
	Wilks' Lambda	.988	.873	4.000	295.000	.481
	Hotelling's Trace	.012	.873	4.000	295.000	.481
	Roy's Largest Root	.012	.873	4.000	295.000	.481

Hotelling's Trace =.012, f (4,295) =.873, P value= .481

Since the p value is more than 0.05, we accept the null hypothesis, hence it can be concluded that gender has no influence on Leadership Styles and Entrepreneurial orientation.

Research Question-2: Does Age influence Leadership Styles and Entrepreneurial orientation?

- Statistical Test: MANOVA

- Variables and Measurement

- Independent Variable: Age

Table 166: MANOVA (AGE) – Between Subject Factors

Between-Subjects Factors

	Value Label (yrs)	N
1	less than 30	75
2	30-40	111
Age (Binned) 3	40-50	70
4	50-60	25
5	60+	19

Dependent Variable

1. Transformational Leadership
2. Transactional Leadership
3. Passive-avoidant Leadership
4. Entrepreneurial Orientation

Hypothesis

- H0: Age does not influence Leadership Styles and Entrepreneurial orientation.

- H1: Age does influence Leadership Styles and Entrepreneurial orientation.

Level of Significance α = 0.05

Table 167: MANOVA (AGE) – Leadership Styles and Entrepreneurial Orientation

Descriptive Statistics				
	Age (Binned)	**Mean**	**Std. Deviation**	**N**
Transformational	less than 30	71.87	6.687	75
	30-40	72.71	6.566	111
	40-50	72.77	6.733	70
	50-60	73.96	2.458	25
	60+	74.37	4.475	19
	Total	72.72	6.290	300
Transactional	less than 30	28.96	3.355	75
	30-40	29.86	2.659	111
	40-50	29.66	3.476	70
	50-60	29.68	2.268	25
	60+	29.53	3.389	19
	Total	29.55	3.067	300
Passive	less than 30	11.95	4.020	75
	30-40	11.94	4.857	111
	40-50	10.77	3.423	70
	50-60	12.64	6.506	25
	60+	9.68	5.012	19
	Total	11.58	4.566	300

	less than 30	108.00	7.347	75
	30-40	106.85	9.055	111
	40-50	107.17	8.521	70
Entrepreneurial	50-60	108.08	6.198	25
	60+	99.74	12.961	19
	Total	106.86	8.785	300

A five group between subjects MANOVA was conducted on 4 dependent variables (Transformational Leadership, Transactional Leadership, Passive-avoidant Leadership, and Entrepreneurial orientation).

Table 168: MANOVA (AGE) – Bartlett's Test of Sphericity

Bartlett's Test of Sphericity	
Likelihood Ratio	.000
Approx. Chi-Square	636.735
Df	9
Sig.	.000

The Bartlett's Test of Sphericity is statistically significant; the p value is less than 0.001 indicating sufficient correlation between dependent variables to proceed with the analysis.

Table 169: MANOVA (AGE) – Box's Test of Equality of Covariance Matrices

Box's Test of Equality of Covariance Matrices	
Box's M	115.822
F	2.755
df1	40
df2	23814.879
Sig.	.000

The sample consisted of 300 respondents. Box's Test of Equality of Covariance Matrices was statistically significant (p value is less than 0.001).

This indicates that the observed covariance matrices of the dependent variable were unequal across independent variable groups, thus Pillai's Trace was employed to evaluate all multivariate effects. The Pillai's Trace was significant at 5% level of significance.

Table 170: MANOVA (AGE) – Multivariate Tests

Multivariate Tests

Effect	Value	F	Hypothesis df	Error df	Sig.
Pillai's Trace	.117	2.226	16.000	1180.000	.004
Age Wilks' Lambda	.886	2.247	16.000	892.712	.003
Hotelling's Trace	.124	2.255	16.000	1162.000	.003
Roy's Largest Root	.082	6.082	4.000	295.000	.000

Pillai's Trace =.117, f (16, 1180) =2.226, P value= .004

Since the p value is less than 0.05, we reject the null hypothesis, hence it can be concluded that age has an influence on Leadership Styles and Entrepreneurial orientation.

Since Pillai's Trace was significant, a Univariate ANOVA was conducted on each dependent variable separately to determine the locus of statistically significant multivariate effects.

Since the impact of age is examined on each dependent variable separately we use Bonferroni's corrected alpha level to avoid alpha inflation. Therefore we divide alpha by the number of dependent variables. Hence the new alpha is 0.05/4=0.01.

Table 171: MANOVA (AGE) – Test of Between Subject Effects

Tests of Between-Subjects Effects			
Source	**Dependent Variable**	**Sig.**	**Partial Eta Squared**
Age	Transformational	.456	.012
	Transactional	.406	.013
	Passive	.091	.027
	Entrepreneurial	.006	.048

It can be seen that age has no influence on Transformational Leadership, Transactional Leadership, and Passive-avoidant Leadership.

It is evident that age has influence on Entrepreneurial Orientation. To know more about this relationship and to study where the difference lies, we refer to a descriptive statistics table. It is seen from the descriptive statistics table that thje age group of 50-60 years old are highly entrepreneurially oriented (mean=108.08) followed by the age group of less than 30 years old (mean=108) and then the age group of 40-50 years old (mean=107.17). the age group of 30-40 years old shows less entrepreneurial orientation (mean=106.85) when considering all age groups.

Research Question-3: Does experience influence Leadership Styles and Entrepreneurial orientation?

- Statistical Test: MANOVA

- Variables and Measurement

- Independent Variable: Experience

Table 172: MANOVA (Experience) – Between Subject Factors

Between-Subjects Factors			
		Value Label	**N**
Experience in Years (Binned)	1	< than 10	133
	2	10-20	99
	3	20-30	41
	4	30+	27

Dependent Variable

1. Transformational Leadership
2. Transactional Leadership
3. Passive-avoidant Leadership
4. Entrepreneurial Orientation

Hypothesis

- H0: Experience does not influence Leadership Styles and Entrepreneurial orientation.

- H1: Experience does influence Leadership Styles and Entrepreneurial orientation.

Level of Significance α = 0.05

Table 173: Descriptive statistics from MANOVA (Experience)

Descriptive Statistics				
	Experience in Years (Binned)	**Mean**	**Std. Deviation**	**N**
Transformational	< than 10	72.54	5.779	133
	10-20	72.55	7.328	99
	20-30	72.71	6.466	41
	30+	74.30	3.979	27
	Total	72.72	6.290	300
Transactional	< than 10	29.55	2.891	133
	10-20	29.44	3.429	99
	20-30	29.68	2.823	41
	30+	29.74	3.008	27
	Total	29.55	3.067	300

Passive	< than 10	11.86	3.953	133
	10-20	11.57	5.099	99
	20-30	11.34	4.066	41
	30+	10.67	5.968	27
	Total	11.58	4.566	300
Entrepreneurial	< than 10	107.86	7.905	133
	10-20	106.87	8.801	99
	20-30	106.37	8.842	41
	30+	102.67	11.579	27
	Total	106.86	8.785	300

A four group between subjects MANOVA was conducted on 4 dependent variables (Transformational Leadership, Transactional Leadership, Passive-avoidant Leadership, and Entrepreneurial orientation).

Table 174: MANOVA (Experience) – Bartlett's Test of Sphericity

Bartlett's Test of Sphericity	
Likelihood Ratio	.000
Approx. Chi-Square	638.251
Df	9
Sig.	.000

The Bartlett's Test of Sphericity is statistically significant; the p value is less than 0.001 indicating sufficient correlation between dependent variables to proceed with the analysis.

Table 175: MANOVA (Experience) – Box's Test of Equality of Covariance Matrices

Box's Test of Equality of Covariance Matrices	
Box's M	66.250
F	2.124
df1	30
df2	36762.096
Sig.	.000

The sample consisted of 300 respondents. Box's Test of Equality of Covariance Matrices was statistically significant (p value is less than 0.001).

This indicates that the observed covariance matrices of the dependent variable were unequal across independent variable groups, thus Pillai's Trace was employed to evaluate all multivariate effects. The Pillai's Trace was not significant at 5% level of significance.

Table 176: MANOVA (Experience) – Multivariate Tests

Multivariate Tests

	Effect	Value	F	Hypothesis df	Error df	Sig.
Gender	Pillai's Trace	.050	1.242	12.000	885.000	.249
	Wilks' Lambda	.950	1.255	12.000	775.497	.241
	Hotelling's Trace	.052	1.266	12.000	875.000	.233
	Roy's Largest Root	.050	3.705	4.000	295.000	.006

Pillai's Trace =.050, f (12,885) =1.242, P value= .249

Since the p value is more than 0.05, we accept the null hypothesis, hence it can be concluded that experience has no influence on Leadership Styles and Entrepreneurial orientation.

Research Question-4: Does Qualification influence Leadership Styles and Entrepreneurial orientation?

- Statistical Test: MANOVA

- Variables and Measurement

- Independent Variable: Qualification

Table 177: MANOVA (Qualification) – Between Subject Factors

Between-Subjects Factors

		Value Label	N
	1	Graduate	189
Qualification	2	Post Graduate	53
	3	Under Graduate	58

Dependent Variable

1. Transformational Leadership
2. Transactional Leadership
3. Passive-avoidant Leadership
4. Entrepreneurial Orientation

Hypothesis

- H0: Qualification does not influence Leadership Styles and Entrepreneurial orientation.

- H1: Qualification does influence Leadership Styles and Entrepreneurial orientation.

Level of Significance $\alpha = 0.05$

Table 178: Descriptive Statistics from MANOVA (Qualification)

Descriptive Statistics				
	Qualification	**Mean**	**Std. Deviation**	**N**
Transformational	Graduate	29.65	2.992	189
	Post Graduate	28.42	3.992	53
	Under Graduate	30.28	1.871	58
	Total	29.55	3.067	300
Transactional	Graduate	11.95	5.136	189
	Post Graduate	11.36	3.638	53
	Under Graduate	10.60	2.967	58
	Total	11.58	4.566	300
Passive	Graduate	73.16	6.174	189
	Post Graduate	70.32	8.185	53
	Under Graduate	73.50	3.757	58
	Total	72.72	6.290	300
Entrepreneurial	Graduate	106.74	9.274	189
	Post Graduate	106.47	8.377	53
	Under Graduate	107.64	7.501	58
	Total	106.86	8.785	300

A three group between subjects MANOVA was conducted on 4 dependent variables (Transformational Leadership, Transactional Leadership, Passive-avoidant Leadership, and Entrepreneurial orientation).

Table 179: MANOVA (Qualification) – Bartlett's Test of Sphericity

Bartlett's Test of Sphericity	
Likelihood Ratio	.000
Approx. Chi-Square	647.973
Df	9
Sig.	.000

The Bartlett's Test of Sphericity is statistically significant; the p value is less than 0.001 indicating sufficient correlation between dependent variables to proceed with the analysis.

Table 180: MANOVA (Qualification) – Box's Test of Equality of Covariance Matrices

Box's Test of Equality of Covariance Matrices	
Box's M	97.350
F	4.731
df1	20
df2	81015.127
Sig.	.000

The sample consisted of 300 respondents. Box's Test of Equality of Covariance Matrices was statistically significant (p value is less than 0.001).

This indicates that the observed covariance matrices of the dependent variable were unequal across independent variable groups, thus Pillai's Trace was employed to evaluate all multivariate effects. The Pillai's Trace was significant at 5% level of significance.

Table 181: MANOVA (Qualification) – Multivariate Tests

Multivariate Tests

Effect		Value	F	Hypothesis df	Error df	Sig.
Qualification	Pillai's Trace	.064	2.432	8.000	590.000	.014
	Wilks' Lambda	.937	2.425	8.000	588.000	.014
	Hotelling's Trace	.066	2.419	8.000	586.000	.014
	Roy's Largest Root	.040	2.962	4.000	295.000	.020

Pillai's Trace =.064, f (8,590) =2.432, P value= .014

Since the p value is less than 0.05, we reject the null hypothesis, hence it can be concluded that qualification has an influence on Leadership Styles and Entrepreneurial orientation.

Since Pillai's Trace was significant, a Univariate ANOVA was conducted on each dependent variable separately to determine the locus of statistically significant multivariate effects.

Since the impact of qualification is examined on each dependent variable separately we use Bonferroni's corrected alpha level to avoid alpha inflation. Therefore we divide alpha by the number of dependent variables. Hence the new alpha is 0.05/4=0.01.

Table 182: MANOVA (Qualification) – Between Subject Effects

Tests of Between-Subjects Effects			
Source	**Dependent Variable**	**Sig.**	**Partial Eta Squared**
Qualification	Transactional	.004	.036
	Passive	.135	.013
	Transformational	.008	.032
	Entrepreneurial	.743	.002

It can be seen that qualification has no influence on Passive-avoidant Leadership and Entrepreneurial Orientation.

It is evident that qualification has an influence on Transformational Leadership and Transactional Leadership. To know more about this relationship and to study where the difference lies, we refer to a descriptive statistics table. It is seen from the descriptive statistics table that under graduates (mean=30.28) show more transformational leadership qualities followed by graduates (mean=29.65) and then post-graduates (mean=28.42). On the other hand graduates (mean=11.95) show more transactional leadership qualities followed by post-graduates (mean=11.36) and then under graduates (mean=10.60).

Research Question-5: Does Designation influence Leadership Styles and Entrepreneurial orientation?

- Statistical Test: MANOVA

- Variables and Measurement

- Independent Variable: Designation

Table 183: MANOVA (Designation) – Between Subject Factors

Between-Subjects Factors			
		Value Label	N
Designation	1	Owner	155
	2	Manager/Supervisor	145

Dependent Variable

1. Transformational Leadership
2. Transactional Leadership
3. Passive-avoidant Leadership
4. Entrepreneurial Orientation

Hypothesis

- H0: Designation does not influence Leadership Styles and Entrepreneurial orientation.

- H1: Designation does influence Leadership Styles and Entrepreneurial orientation.

Level of Significance α = 0.05

Table 184: Descriptive Statistics from MANOVA (Designation)

Descriptive Statistics				
	Designation	**Mean**	**Std. Deviation**	**N**
Transactional	Owner	29.16	3.762	155
	Manager/Supervisor	29.97	2.015	145
	Total	29.55	3.067	300
Passive-Avoidant	Owner	11.87	5.238	155
	Manager/Supervisor	11.28	3.709	145
	Total	11.58	4.566	300
Transformational	Owner	71.65	7.553	155
	Manager/Supervisor	73.88	4.307	145
	Total	72.72	6.290	300
Entrepreneurial Orientation	Owner	106.45	8.670	155
	Manager/Supervisor	107.30	8.914	145
	Total	106.86	8.785	300

A Hotelling's T^2 between subjects MANOVA was conducted on 4 dependent variables (Transformational Leadership, Transactional Leadership, Passive-avoidant Leadership, and Entrepreneurial orientation).

Table 185: MANOVA (Designation) – Bartlett's Test of Sphericity

Bartlett's Test of Sphericity	
Likelihood Ratio	.000
Approx. Chi-Square	644.093
Df	9
Sig.	.000

The Barlett's Test of Sphericity is statistically significant; the p value is less than 0.001 indicating sufficient correlation between dependent variables to proceed with the analysis.

Table 186: MANOVA (Designation) – Box's Test of Equality of Covariance Matrices

Box's Test of Equality of Covariance Matrices	
Box's M	89.954
F	8.865
df1	10
df2	420274.087
Sig.	.000

The sample consisted of 300 respondents. Box's Test of Equality of Covariance Matrices was statistically significant (p value is less than 0.001).

This indicates that the observed covariance matrices of the dependent variable were unequal across independent variable groups, thus Hotelling's Trace was employed to evaluate all multivariate effects. The Hotelling's Trace was significant at 5% level of significance.

Table 187: MANOVA (Designation) – Multivariate Tests

Multivariate Tests

Effect		Value	F	Hypothesis df	Error df	Sig.
Designation	Pillai's Trace	.034	2.612	4.000	295.000	.036
	Wilks' Lambda	.966	2.612	4.000	295.000	.036
	Hotelling's Trace	.035	2.612	4.000	295.000	.036
	Roy's Largest Root	.035	2.612	4.000	295.000	.036

Hotelling's Trace =.035, f (4,295) =2.612, P value= .036

Since the p value is less than 0.05, we reject the null hypothesis, hence it can be concluded that designation has an influence on Leadership Styles and Entrepreneurial orientation.

Since Hotelling's Trace was significant, a Univariate ANOVA was conducted on each dependent variable separately to determine the locus of statistically significant multivariate effects.

Since the impact of designation is examined on each dependent variable separately we use Bonferroni's corrected alpha level to avoid alpha inflation. Therefore we divide alpha by the number of dependent variables. Hence the new alpha is 0.05/4=0.01.

Table 188: MANOVA (Designation) – Between Subject Effects

Tests of Between-Subjects Effects			
Source	Dependent Variable	Sig.	Partial Eta Squared
Designation	TRANSACTIONAL	.023	.017
	PASSIVE	.260	.004
	TRANSFORMATIONAL	.002	.032
	ENTREPRENEURIAL	.402	.002

It can be seen that designation has no influence on Transactional Leadership, Passive-avoidant Leadership and Entrepreneurial Orientation.

It is evident that designation has influence on Transformational Leadership. To know more about this relationship and to study where the difference lies, we refer to a descriptive statistics table. It is seen from the descriptive statistics table that managers (mean=73.88) show more transformational leadership qualities as compared to owners (mean=71.65).

Research Question-6: Whether there is a difference in the extent of transformational leadership style components practiced among respondents of SME's.

- Statistical Test: Friedman Chi-square Test

- Variables and Measurement: Respondents were presented with the following transformational leadership components:

  - Idealized Attribute,
  - Idealized Behavior,
  - Inspirational Motivation,
  - Intellectual Stimulation,
  - Individualized Consideration

Each have used a 4 item scale and each of them were measured on a 5 point rating scale (likert scale). The four item scale for each is then converted to a single item scale creating a composite variable for Idealized Attribute, Idealized Behavior, Inspirational Motivation, Intellectual Stimulation, Individualized Consideration. These are discussed below.

Table 189 – Indicators of Transformational Leadership

Latent Construct	Transformational Leadership Indicators
Idealized Attribute	Giving a sense of belonging and a proud feeling of association
	Leaving personal motives behind for the goodness of the group
	Taking actions that will establish trust and respect
	Showing confidence and power
Idealized Behaviour	Speaking about belief systems
	Specifically mentioning the purpose
	Taking responsibility for decisions taken and their consequences
	Putting stress on one mission for all
Inspirational Motivation	Being optimistic
	Showing enthusiasm while communicating tasks
	Showing a strong vision for all
	Showing confidence that the targets will be achieved
Intellectual Stimulation	Questioning whether assumptions are correct
	Taking several perspectives into consideration while problem solving
	Asking others to tackle the issues from different angles
	Showing different ways to accomplish the tasks
Individualized Consideration	Coaching subordinates
	Even when working in groups, giving due importance to individualization
	Understanding that every individual has differing requirements
	Working on core strength areas of the team to develop it at its peak

Each item was measured on a five point scale, mentioned below:

0- Not at all

1- Once in a while

2- Sometimes

3- Fairly Often

4- Frequently , if not always

Hypothesis

- **H0:** There is no difference in the extent of transformational leadership components practiced among respondents of SME's.

- **H1:** There is a significant difference in the extent of transformational leadership components practiced among respondents of SME's.

Level of Significance (α) = 0.05

Test Statistics Table

Table 190 – Friedman Test Statistics – Transformational Leadership

Test Statistics

N	300
Chi-Square	125.058
Df	4
Asymp. Sig.	.000

Observation: X^2 (4) =125.058, P=0.000, N=300

Conclusion

Since the p value is less than the level of significance (0.05) the null hypothesis is rejected. Hence it is concluded that there is a significant difference in the extent of transformational leadership style components practiced among respondents of SME's.

In order to find out where the differences lies we refer to the rank table, which is mentioned below:

Table 191 – Rank Table of Transformational Leadership Components

	Mean Rank
Idealized Attribute	2.25
Idealized Behavior	3.13
Inspirational Motivation	3.43
Intellectual Stimulation	2.94
Individual Consideration	3.25

From the ranks table it can be seen that Inspirational Motivation has a mean rank of 3.43, Individual Consideration has a mean rank of 3.25, Idealized Behavior has a mean rank of 3.13 and Intellectual Stimulation has a mean rank of 2.94.

Hence it is concluded that the most noticeable transformational leadership style components are Inspirational Motivation, Individual Consideration and Idealized Behavior.

Research Question-7: Whether there is a difference in the frequency of transactional leadership style components (Management by Exception-Active, Contingent Reward) practiced among owners/managers of SME's.

- Statistical Test: Wilcoxon Matched Pair Signed Ranks Tests

- Variables and Measurement:

Independent Variable: Transactional Leadership Style (Management by Exception-Active / Contingent Reward)

Dependent Variable: Frequency of practicing transactional leadership style measured using a 5-point likert scale which is mentioned below:

0- Not at all

1- Once in a while

2- Sometimes

3- Fairly Often

4- Frequently , if not always

Hypothesis

- **H0:** There is no difference in the frequency of transactional leadership style (Management by Exception-Active, Contingent Reward) practiced among owners/managers of SME's.

- **H1:** There is a significant difference in the frequency of transactional leadership style (Management by Exception-Active, Contingent Reward) practiced among owners/managers of SME's**.**

Level of Significance (α) = 0.05

Observation

Table 192 – Wilcoxon Matched Pair Sign Rank Test Statistics for Transactional Leadership

Test Statistics	
	Management by exception active - Contingent reward
Z	-.044
Asymp. Sig. (2-tailed)	.965

Z-Score= -0.44, P= 0.965, N= 300

Table 193 – Rank Table of Transactional Leadership Components

Ranks

		N	Mean Rank	Sum of Ranks
Management by exception active - Contingent reward	Negative Ranks	88[a]	94.27	8295.50
	Positive Ranks	94[b]	88.91	8357.50
	Ties	118[c]		
	Total	300		

a. Management by exception active < Contingent reward

b. Management by exception active > Contingent reward

c. Management by exception active = Contingent reward

Table 194 – Paired Statistics for Transactional Leadership

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Contingent reward	14.8100	300	1.60494	.09266
	Management by exception active	14.7400	300	1.90556	.11002

Conclusion

Since the p value is more than the level of significance (0.05) we accept the null hypothesis. Hence it is concluded that the frequency of transactional leadership style (Management by Exception-Active, Contingent Reward) practiced among the owners/managers of SME's are more or less similar. The owners / managers practice management by exception-active and contingent reward to same extent.

Research Question-8: Whether there is a difference in the frequency of passive-avoidant leadership style components (Management by Exception-Passive, Laissez-Faire) practiced among owners/managers of SME's.

- Statistical Test: Wilcoxon Matched Pair Signed Ranks Tests

- Variables and Measurement:

Independent Variable: Passive-avoidant Leadership Style (Management by Exception-Passive / Laissez-Faire)

Dependent Variable: Frequency of practicing Passive-avoidant Leadership style measured using a 5-point likert scale which is mentioned below:

0- Not at all
1- Once in a while
2- Sometimes
3- Fairly Often
4- Frequently , if not always

Hypothesis

- **H0:** There is no difference in the frequency of passive-avoidant leadership style (Management by Exception-Passive, Laissez-Faire) practiced among owners/managers of SME's.

- **H1:** There is a significant difference in the frequency of passive-avoidant leadership style (Management by Exception-Passive, Laissez-Faire) practiced among owners/managers of ME's.

Level of Significance (α) = 0.05

Observations

Table 195 – Wilcoxon Match Pair Sign Rank Test for Passive-avoidant Leadership

Test Statistics	
	Laissez-faire - Management by exception passive
Z	-14.667
Asymp. Sig. (2-tailed)	.000

Z-Score= -14.667, P= 0.000, N= 300

Table 196 - Rank Table for Passive-avoidant Leadership

Ranks

		N	Mean Rank	Sum of Ranks
Laissez-faire - Management by exception passive	Negative Ranks	6[a]	89.25	535.50
	Positive Ranks	291[b]	150.23	43717.50
	Ties	3[c]		
	Total	300		

a. Laissez-faire < Management by exception passive

b. Laissez-faire > Management by exception passive

c. Laissez-faire = Management by exception passive

Table 197 – Paired Statistics for Passive-avoidant Leadership

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Management by exception passive	3.5367	300	2.63790	.15230
	Laissez-faire	8.0467	300	2.80906	.16218

Conclusion

Since the p value is less than the level of significance (0.05) the null hypothesis is rejected, hence it is concluded that there is a significant difference in the frequency of passive-avoidant leadership style (Management by Exception-Passive, Laissez-Faire) practiced by owners/managers of SME's. From the observed mean values for Management by Exception-Passive (3.5) and Laissez-Faire (8.04) it can be concluded that respondents practiced Laissez-Faire more than Management by Exception-Passive.

Research Question-9: Whether there is a difference in the frequency of entrepreneurial orientation components practiced among respondents of SME's.

- Statistical Test: Friedman Chi-square Test

- Variables and Measurement:

Respondents were presented with the following entrepreneurial orientation components:

- Autonomy- this used 4 item scales and each of them were measured on a 5 point rating scale (likert scale). The four item scale is then converted to a single item scale creating a composite variable for Autonomy.

- Innovativeness- this used 8 item scales and each of them were measured on a 5 point rating scale (likert scale). The eight item scale is then converted to a single item scale creating a composite variable for Innovativeness.

- Risk-Taking- this used 4 item scales and each of them were measured on a 5 point rating scale (likert scale). The four item scale is then converted to a single item scale creating a composite variable for Risk-Taking.

- Proactiveness- this used 3 item scales and each of them were measured on a 5 point rating scale (likert scale). The three item scale is then converted to a single item scale creating a composite variable for Proactiveness.

- Competitive Agressiveness- this used 4 item scales and each of them were measured on a 5 point rating scale (likert scale). The four item scale is then converted to a single item scale creating a composite variable for Proactiveness.

Table 198 – Indicators of Entrepreneurial Orientation

Latent Construct	Entrepreneurial orientation Indicators
Autonomy	Employees in my organization do not rely on others at all and do not need any supervision in their job.
	Employees in my organization have complete freedom to use innovative methods to do their job.
	Employees in my organization are free to take their decisions independently. They need not need to get approval from authorities.
	Employees in my organization are extremely inspired to manage their own work and are very flexible in their approach to solving problems.
Innovativeness	The organization is very innovative. It maintains the existing products but frequently introduces new products.
	The organization is very heavily invested in innovating products and processes.
	The number of products offered by the organization has steadily increased over the past 5 years.
	The organization is very heavily invested in looking for new opportunities.
	The Organization's processes and products have changed significantly (for the better) over the last 5 years
	The organization finds investing in new ideas and implementing them very effective.
	The organization feels its products and processes require continuous improvements.
	Currently I feel extremely empowered to innovate in the organization.
Risk Taking	The organization tries to exploit opportunities in cases of ambivalent decisions.
	Employees are free to take calculated risks when implementing new ideas

	The organization is always willing to take on high-risk projects.
	The Organization strongly believes that bold acts are necessary to achieve objectives.
Proactiveness	In this competitive market my organization is usually the first to introduce new products and services.
	The organization typically initiates actions to which our competitors respond to.
	The organization conducts market surveys to find out the future needs of customer.
Competitive Aggressiveness	My organization takes an aggressive approach when dealing with competitors.
	My organization is highly competitive.
	My organization adopts a confrontation strategy to combat industry trends that may threaten our survival or growth or position in industry.
	My Organization understands that over aggression may spoil our reputation.

Each item was measured using five point scale, mentioned below:

1- Completely Disagreed

2- Somewhat Disagreed

3- Neutral

4- Somewhat Agreed

5- Completely Agreed

Hypothesis

- **H0:** There is no difference in the frequency of entrepreneurial orientation components practiced among respondents of SME's.

- **H1:** There is a significant difference in the frequency of entrepreneurial orientation components practiced among respondents of SME's.

Level of Significance (α) = 0.05

Test Statistics Table

Table 199 – Friedman Test Statistics for Entrepreneurial Orientation

Test Statistics

N	300
Chi-Square	1010.459
df	4
Asymp. Sig.	.000

Observation

X^2 (4) =1010.459, P=0.000, N=300

Conclusion

Since the p value is less than the level of significance (0.05) the null hypothesis is rejected. Hence it is concluded that there is a significant difference in the extent of entrepreneurial orientation components practiced among respondents of SME's.

In order to find out where the differences lies we refer to the rank table, which is discussed below:

Table 200 – Rank Table for Entrepreneurial Orientation

Ranks

	Mean Rank
Autonomy	3.03
Innovativeness	5.00
Risk taking	3.07
Proactiveness	1.06
Competitive-aggression	2.84

From the ranks table it can be seen that Innovativeness has a mean rank of 5.00, Risk-Taking has a mean rank of 3.07, Autonomy has a mean rank of 3.03, Competitive Aggressiveness has a mean rank of 2.84 and Proactiveness has a mean rank of 1.06.

Hence it is concluded that the most noticeable entrepreneurial orientation components practiced among respondents are Innovativeness, Risk-Taking and Autonomy.

Research Question-10: Whether Leadership Styles and Entrepreneurial Orientation are co-related?

- Statistical Test: Spearman Rank Order Correlation

- Variables and Measurement: Leadership styles consist of 3 major styles. These are transformational leadership, transactional leadership and passive-avoidant.

Transformational Leadership was measured using 20 item scales which are mentioned below:

- Transformational leadership used a 20 item scale and each of them was measured on a 5 point rating scale (likert scale). The twenty item scale is then converted to a single item scale creating a composite variable for Transformational Leadership which is discussed below.

Table 201 – Indicator of Transformational Leadership

Latent Construct	Transformational Leadership Indicators
Transformational Leadership	Giving a sense of belonging and a proud feeling for association
	Leaving personal motives behind for the goodness of the group
	Taking such actions which will establish trust and respect
	Showing confidence and power
	Speaking about belief systems
	Specifically mentioning the purpose
	Taking responsibility for decisions taken and their

	consequences
	Putting stress on one mission for all
	Being optimistic
	Showing enthusiasm while communicating tasks
	Showing a strong vision for all
	Showing confidence that the targets will be achieved
	Questioning whether assumptions are correct
	Taking several perspectives into consideration while problem solving
	Asking others to tackle the issues from different angles
	Showing different ways to accomplish tasks
	Coaching subordinates
	Even when working in groups, giving due importance to individualization
	Understanding that every individual has differing requirements
	Working on the core strength areas of the team to develop it at its peak

Each item was measured on a five point scale, mentioned below:

0. Not at all
1. Once in a while
2. Sometimes
3. Fairly Often
4. Frequently , if not always

Transactional Leadership was measured using 8 item scales which are mentioned below:

- Transactional leadership was measured using an 8 item scale and each of them were measured on a 5 point rating scale (likert scale). The eight item is then scale is converted to a single item scale creating a composite variable for Transactional Leadership which are discussed below.

Table 202 – Indicators of Transactional Leadership

Latent Construct	Transactional Leadership Indicators
Transactional Leadership	Focusing on getting off the track from set standards
	Focusing on managing shortfalls
	Recording all deviations or mistakes
	Focusing on meeting standards and overcoming shortfalls
	Rewarding others for putting additional efforts
	Deciding the responsibilities and targets
	Ensuring clarity of rewards if targets were achieved
	Showing satisfaction is there if the expected outcomes have been achieved

Each item was measured on a five point scale, mentioned below:

0- Not at all

1- Once in a while

2- Sometimes

3- Fairly Often

4- Frequently , if not always

Passive-avoidant Leadership was measured using 8 item scales which are mentioned below:

- Passive-avoidant leadership was measured using an 8 item scale and each of them were measured on a 5 point rating scale (likert scale).The eight item scale is then converted to single item scale creating a composite variable for Passive-avoidant Leadership which are discussed below.

Table 203 – Indicators of Passive-avoidant Leadership

Latent Construct	Passive-Avoidant Leadership Indicators
Passive-avoidant Leadership	Not able to interfere until problem becomes severe
	Trying to escape and stay away from important issues
	Being unavailable when there is a need
	Waiting and watching to let things happen in the wrong ways before taking action
	Believing that if something is fine why to try and make it better
	Trying to show that the issue must be very critical before taking any action
	Staying away from the decision making process
	Purposefully taking a long time to answer critical issues

Each item was measured on a five point scale, mentioned below:

0- Not at all

1- Once in a while

2- Sometimes

3- Fairly Often

4- Frequently , if not always

Entrepreneurial Orientation was measured using 23 items which are mentioned below:

- Entrepreneurial Orientation was measured using a 23 item scale and each of them was measured on a 5 point rating scale (likert scale). The twenty-three item scale is then converted to a single item scale creating a composite variable for Entrepreneurial Orientation which are discussed below.

Table 204 – Indicators of Entrepreneurial Orientation

Latent Construct	Entrepreneurial orientation Indicators
Entrepreneurial Orientation	Employees in my organization do not rely on others at all and do not need any supervision in their job.
	Employees in my organization have complete freedom to use innovative methods to do their job.
	Employees in my organization are free to take their decisions independently. They need not to get approval from authorities.
	Employees in my organization are extremely inspired to manage their own work and are very flexible in their approach to solving problems.
	The organization is very innovative. It maintains the existing products but frequently introduces new products.
	The organization is very heavily invested in innovating products and processes.
	The number of products offered by the organization has steadily increased over the past 5 years.
	The organization is very heavily invested in looking for new opportunities.
	The Organization's processes and products have changed significantly (for the better) over the last 5 years
	The organization finds investing in new ideas and implementing them very effective.
	The organization feels its products and processes require continuous improvements.
	Currently I feel extremely empowered to innovate in the organization.
	The organization tries to exploit opportunities in cases of ambivalent decisions.
	Employees are free to take calculated risks when implementing new ideas
	The organization is always willing to take on high-risk projects.
	The Organization strongly believes that bold acts are necessary to achieve objectives.
	In this competitive market my organization is usually the first to

	introduce new products and services.
	The organization typically initiates actions to which our competitors respond to.
	The organization conducts market surveys to find out the future needs of our customers.
	My organization takes an aggressive approach in dealing with competitors.
	My organization is highly competitive.
	My organization adopts a confrontation strategy to combat industry trends that may threaten our survival or growth or position in industry.
	My Organization understands that over aggression may spoil our reputation.

Each item was measured on a five point scale, mentioned below:

1- Completely Disagreed
2- Somewhat Disagreed
3- Neutral
4- Somewhat Agreed
5- Completely Agreed

Hypothesis

- **H0:** There is no relationship between leadership styles and entrepreneurial orientation **($\rho=0$)**

- **H1:** There is a significant relationship between leadership styles and entrepreneurial orientation **($\rho\neq0$)**

Level of Significance (α) = 0.05

Correlation Table

Table 205 – Spearman's Correlation - Leadership Styles and Entrepreneurial Orientation

Pair	Spearman's rho (ρ)	P-value	Result
Transformational ↔ Entrepreneurial	0.327	0.000	Significant
Transactional ↔ Entrepreneurial	0.147	0.011	Significant
Passive ↔ Entrepreneurial	0.300	0.000	Significant

Conclusion

From the above table it can be seen that there is a significant relationship between Transformational leadership & Entrepreneurial Orientation (**ρ** =0.327, **P-value**= 0.000), Transactional leadership & Entrepreneurial Orientation (**ρ** =0.147, **P-value**= 0.011), Passive-Avoidant leadership & Entrepreneurial Orientation (**ρ** =0.300, **P-value**=0.000). Thus we can conclude that we can reject the null hypothesis and accept the alternate hypothesis, which says that there is a positive relationship between Leadership styles & Entrepreneurial Orientation.

Research Question-11: Whether Transformational Leadership Style and Organizational Performance are co-related?

- Statistical Test: Spearman Rank Order Correlation

- Variables and Measurement

Transformational Leadership was measured using 20 item scales which are mentioned below:

- Transformational leadership was measured using a 20 item scale and each of them was measured on a 5 point rating scale (likert scale). The twenty item scale is then converted to a single item scale creating a composite variable for Transformational Leadership which are discussed below.

Table 206 – Indicators of Transformational Leadership

Latent Construct	Transformational Leadership Indicators
Transformational Leadership	Giving a sense of belonging and a proud feeling of association
	Leaving personal motives behind for the goodness of the group
	Taking such actions which will establish trust and respect
	Showing confidence and power
	Speaking about belief systems
	Specifically mentioning the purpose
	Taking responsibility for decisions taken and their consequences
	Putting stress on one mission for all
	Being optimistic
	Showing enthusiasm while communicating tasks
	Showing a strong vision for all
	Showing confidence that the targets will be achieved
	Questioning whether assumptions are correct
	Taking several perspectives into consideration while problem solving
	Asking others to tackle the issues from different angles
	Showing different ways to accomplish tasks
	Coaching subordinates
	Even when working in groups, giving due importance to individualization
	Understanding that every individual has differing requirements
	Working on the core strength areas of the team to develop it at its peak

Each item was measured on a five point scale, mentioned below:

0- Not at all

1- Once in a while

2- Sometimes

3- Fairly Often

4- Frequently , if not always

Organizational Performance was broken into different components and was measured using 18 item scales which are mentioned below:

Process Performance was measured using a 3 item scale and each of them were measured on a 5 point rating scale (likert scale). The three item scale is then converted to a single item scale creating a composite variable for Process Performance which are discussed below:

Table 207 – Indicators of Process Performance

Latent Construct	Process Performance Indicators
Process Performance	You are satisfied with your work in process inventory (products which are no longer raw material but have yet to become finished products)
	You are satisfied with the order-fulfillment lead time (time between placement and receipt of an order)
	You are satisfied with the product quality

Supplier Relationship Performance was measured suing a 4 item scale and each of them were measured on a 5 point rating scale (likert scale). The four item scale is then converted to a single item scale creating a composite variable for Supplier Relationship Performance which are discussed below:

Table 208 – Indicators of Supplier Relationship Performance

Latent Construct	Supplier Relationship Performance Indicators
Supplier Relationship Performance	You are satisfied with the product quality given by the supplier
	You are satisfied with the delivery performance of supplier
	Your rapport with your suppliers is outstanding
	You have long term relationships with your suppliers and the frequency at which you change them is very low.

People Performance was measured using a 7 item scale and each of them were measured on a 5 point rating scale (likert scale). The seven item scale is then converted to a single item scale creating a composite variable for People Performance which are discussed below:

Table 209 – Indicators of People Performance

Latent Construct	People Performance Indicators
People Performance	Internal issues play absolutely no role in the attrition rate of your organization
	The productivity of employees in your organization is higher than the industry average.
	The level of commitment of your employees towards the organization is very high
	Employees are willing to go the extra mile to put in additional efforts for the organization
	Compared to your competitors absenteeism in your organization, is very low
	Levels of unhappiness and frustration of your employees towards the organization are very low
	The ability to learn and the adaptability of employees in your organization is very high compared to your competitors.

Customer Relationship Performance was measured using a 4 item scale and each of them were measured on a 5 point rating scale (likert scale). The four item scale is then converted to a single item scale creating a composite variable for Customer Relationship Performance which are is discussed below.

Table 210 – Indicators of Customer Relationship Performance

Latent Construct	Customer Relationship Performance Indicators
Customer Relationship Performance	Customer complaints received over the last five years have drastically decreased.
	The ability of the organization to retain existing and attract new clients has increased in last five years.
	The reputation of the organization, according to your clients, has drastically increased in last five years.
	The product return rate has drastically decreased over the last five years

Each item was measured on a five point scale, mentioned below:

1- Completely Disagreed

2- Somewhat Disagreed

3- Neutral

4- Somewhat Agreed

5- Completely Agreed

Hypothesis

- **H0:** There is no relationship between transformational leadership style and organizational performance **(ρ=0)**

- **H1:** There is a significant relationship between transformational leadership style and organizational performance **($\rho \neq 0$)**

Level of Significance (α) = 0.05

Correlation Table

Table 211: Spearman's Correlation - Transformational Leadership & Organizational Performance

Pair	Spearman's rho (ρ)	P-value	Result
Transformational ↔ Process	0.484	0.000	Significant
Transformational ↔ Supplier	0.502	0.000	Significant
Transformational ↔ People	0.385	0.000	Significant
Transformational ↔ Customer	0.317	0.000	Significant

Conclusion

From the above table it can be seen that there is a significant relationship between Transformational leadership & Process Performance (ρ =0.484, **P-value**=0.000), Transformational leadership & Supplier Relationship performance (ρ =0.502, **P-value**=0.000), Transformational leadership & People Performance (ρ =0.385, **P-value**=0.000), Transformational leadership & Customer Relationship Performance (ρ =0.317, **P-value**=0.000).

Thus we reject the null hypothesis and accept the alternate hypothesis, which says that there is a positive relationship between transformational leadership and organizational performance.

Research Question-12: Whether Transactional Leadership Style and Organizational Performance are co-related?

- Statistical Test: Spearman Rank Order Correlation

- Variables and Measurement

Transactional Leadership was measured using 8 item scales which are mentioned below:

Transactional leadership was measured using an 8 item scale and each of them were measured on a 5 point rating scale (likert scale). The eight item scale is then converted to

a single item scale creating a composite variable for Transactional Leadership which are discussed below:

Table 212: Indicators of Transactional Leadership

Latent Construct	Transactional Leadership Indicators
Transactional Leadership	Focusing on getting off the track from set standards
	Focusing on managing shortfalls
	Recording all deviations or mistakes
	Focusing on meeting standards and overcoming shortfalls
	Rewarding others for putting additional efforts
	Deciding the responsibilities and targets
	Ensuring clarity of rewards if targets were achieved
	Showing satisfaction is there if the expected outcomes have been achieved

Each item was measured on a five point scale, mentioned below:

0- Not at all

1- Once in a while

2- Sometimes

3- Fairly Often

4- Frequently , if not always

Organizational Performance was broken into different components and was measured using 18 item scales which are mentioned below:

Process Performance was measured using a 3 item scale and each of them was measured on a 5 point rating scale (likert scale). The three item scale is then converted to a single item scale creating a composite variable for Process Performance which are discussed below:

Table 213: Indicators of Process Performance

Latent Construct	Process Performance Indicators
Process Performance	You are satisfied with your work in process inventory (products which are no longer raw material but have yet to become finished products)
	You are satisfied with the order-fulfillment lead time (time between placement and receipt of an order)
	You are satisfied with the product quality

Supplier Relationship Performance was measured using a 4 item scale and each of them were measured on a 5 point rating scale (likert scale). The four item scale is then converted to a single item scale creating a composite variable for Supplier Relationship Performance which are discussed below:

Table 214: Indicators of Supplier Relationship Performance

Latent Construct	Supplier Relationship Performance Indicators
Supplier Relationship Performance	You are satisfied with the product quality given by the supplier
	You are satisfied with the delivery performance of the supplier
	Your rapport with your suppliers is outstanding
	You have long term relationships with your suppliers and the frequency at which you change them is very low.

People Performance was measured using a 7 item scale and each of them were measured on a 5 point rating scale (likert scale). The seven item scale is then converted to a single item scale creating a composite variable for People Performance which are discussed below:

Table 215: Indicators of People Performance

Latent Construct	People Performance Indicators
People Performance	Internal issues play absolutely no role in the attrition rate of your organization
	The productivity of employees in your organization is higher than the industry average.
	The level of commitment of your employees towards the organization is very high
	Employees are willing to go the extra mile to put in additional efforts for the organization
	Compared to your competitors absenteeism in your organization is very low
	Levels of unhappiness and frustration of your employees towards the organization are very low
	The ability to learn and the adaptability of your employees compared to your competitors is very high.

Customer Relationship Performance was measured using a 4 item scale and each of them was measured on a 5 point rating scale (likert scale). The four item scale is then converted to a single item scale creating a composite variable for Customer Relationship Performance which are discussed below:

Table 216: Indicators of Customer Relationship Performance

Latent Construct	Customer Relationship Performance Indicators
Customer Relationship Performance	Customer complaints received over the last five years have drastically decreased.
	The ability of the organization to retain existing and attract new clients has increased in last five years.
	The reputation of the organization, according to your clients, has drastically increased in last five years.
	The product return rate has drastically decreased over the last five years

Each item was measured on a five point scale, mentioned below:

1- Completely Disagreed
2- Somewhat Disagreed
3- Neutral
4- Somewhat Agreed
5- Completely Agreed

Hypothesis

- **H0:** There is no relationship between transactional leadership style and organizational performance **(ρ=0)**

- **H1:** There is a significant relationship between transactional leadership style and organizational performance **(ρ≠0)**

Level of Significance (α) = 0.05

Correlation Table

Table 217: Spearman's Correlation - Transactional Leadership and Organizational Performance

Pair	Spearman's rho (ρ)	P-value	Result
Transactional ↔ Process	0.348	0.000	Significant
Transactional ↔ Supplier	0.483	0.000	Significant
Transactional ↔ People	0.397	0.000	Significant
Transactional ↔ Customer	0.424	0.000	Significant

Conclusion

From the above table it can be seen that there is a significant relationship between Transactional leadership & Process Performance (**ρ** =0.348, **P-value**=0.000), Transactional leadership & Supplier Relationship performance (**ρ** =0.483, **P-value**=0.000), Transactional leadership & People Performance (**ρ** =0.397, **P-value**=0.000), Transactional leadership & Customer Relationship Performance (**ρ** =0.424, **P-value**=0.000).

Thus we reject the null hypothesis and accept the alternate hypothesis, which says that there is a positive relationship between transactional leadership and organizational performance.

Research Question-13: Whether Passive-Avoidant Leadership Style and Organizational Performance are co-related?

- Statistical Test: Spearman Rank Order Correlation

- Variables and Measurement

Passive-avoidant leadership was measured using an 8 item scale and each of them was measured on a 5 point rating scale (likert scale). The eight item scale is then converted to single item scale creating a composite variable for Passive-avoidant Leadership which are discussed below:

Table 218: Indicators of Passive-avoidant Leadership

Latent Construct	Passive-Avoidant Leadership Indicators
Passive-avoidant Leadership	Not interfering until the problem becomes severe
	Trying to escape and stay away from important issues
	Being unavailable when there is a need
	Waiting and watching to let things happen in wrong way before taking action
	Believing that if something is fine why to try and make it better
	Showing that issues must be very critical before taking any action
	Staying away from the decision making process
	Purposefully taking a long time to answer critical issues

Each item was measured on a five point scale, mentioned below:

0- Not at all

1- Once in a while

2- Sometimes

3- Fairly Often

4- Frequently , if not always

Organizational Performance was broken into different components and was measured using 18 item scales which are mentioned below:

Process Performance was measured using a 3 item scale and each of them was measured on a 5 point rating scale (likert scale). The three item scale is then converted to a single item scale creating a composite variable for Process Performance which are discussed below:

Table 219: Indicators of Process Performance

Latent Construct	Process Performance Indicators
Process Performance	You are satisfied with your work in process inventory (products which are no longer raw material but have yet to become finished products)
	You are satisfied with the order-fulfillment lead time (time between placement and receipt of an order)
	You are satisfied with the product quality

Supplier Relationship Performance was measured using a 4 item scale and each of them were measured on a 5 point rating scale (likert scale). The four item scale is then converted to single item scale creating a composite variable for Supplier Relationship Performance which are discussed below:

Table 220: Indicators of Supplier Relationship Performance

Latent Construct	Supplier Relationship Performance Indicators
Supplier Relationship Performance	You are satisfied with the product quality given by the supplier
	You are satisfied with the delivery performance of the supplier
	Your rapport with your suppliers is outstanding
	You have long term relationships with your suppliers and the frequency with which you change them is very low.

People Performance was measured using a 7 item scale and each of them were measured on a 5 point rating scale (likert scale). The seven item scale is converted to single item scale creating a composite variable for People Performance which are discussed below:

Table 221: Indicators of People Performance

Latent Construct	People Performance Indicators
People Performance	Internal issues play absolutely no role in the attrition rate of your organization
	The productivity of the employees in your organization is higher than the industry average.
	The level of commitment of your employees towards the organization is very high
	Employees are willing to go the extra mile to put in additional efforts for the organization
	Compared to you competitors, absenteeism in your organization, is very low
	The levels of unhappiness and frustration of your employees towards the organization are very low
	The ability to learn and the adaptability of your employees compared to your competitors is very high.

Customer Relationship Performance was measured using a 4 item scale and each of them were measured on a 5 point rating scale (likert scale). The four item scale is then converted to a single item scale creating a composite variable for Customer Relationship Performance which are discussed below:

Table 222 – Indicators of Customer Relationship Performance

Latent Construct	Customer Relationship Performance Indicators
Customer Relationship Performance	Customer complaints received over the last five years have drastically decreased.
	The ability of the organization to retain existing and attract new clients has increased in last five years.
	The reputation of the organization, according to your clients, has drastically increased in last five years.
	The product return rate has drastically decreased over the last five years

Each item was measured on a five point scale, mentioned below:

1- Completely Disagreed

2- Somewhat Disagreed

3- Neutral

4- Somewhat Agreed

5- Completely Agreed

Hypothesis

- **H0:** There is no relationship between passive-avoidant leadership style and organizational performance **(ρ=0)**

- **H1:** There is a significant relationship between passive-avoidant leadership style and organizational performance **(ρ≠0)**

Level of Significance (α) = 0.05

Correlation Table

Table 223 – Spearman's Correlation - Passive-avoidant Leadership and Organizational Performance

Pair	Spearman's rho (ρ)	P-value	Result
Passive ↔ Process	-0.049	0.395	Not Significant
Passive ↔ Supplier	-0.058	0.318	Not Significant
Passive ↔ People	0.029	0.616	Not Significant
Passive ↔ Customer	-0.035	0.540	Not Significant

Conclusion

From the above table it can be seen that there is no significant relationship between passive-avoidant leadership & Process Performance (ρ =-0.049, **P-value**=0.395), passive-avoidant leadership & Supplier Relationship Performance (ρ =-0.058, **P-value**=0.318), passive-avoidant leadership & People Performance (ρ =0.029, **P-value**=0.616), passive-avoidant leadership & Customer Relationship Performance (ρ =-0.035, **P-value**=0.540).

Thus we accept the null hypothesis and reject the alternate hypothesis. Our final conclusion is there is no relationship between passive-avoidant leadership and organizational performance.

Research Question-14: Whether Entrepreneurial Orientation and Organizational Performance are co-related?

- Statistical Test: Spearman Rank Order Correlation

- Variables and Measurement

Entrepreneurial Orientation was measured using 23 item scales which are mentioned below:

Entrepreneurial Orientation was measured using a 23 item scale and each of them were measured on a 5 point rating scale (likert scale). The twenty-three item scale is then

converted to a single item scale creating a composite variable for Entrepreneurial Orientation which are discussed below.

Table 224 – Indicators of Entrepreneurial Orientation

Latent Construct	Entrepreneurial orientation Indicators
Entrepreneurial Orientation	Employees in my organization do not rely on others at all and do not need any supervision in their job.
	Employees in my organization have complete freedom to use innovative methods to do their job.
	Employees in my organization are free to take their decisions independently. They need not to get approval from authorities.
	Employees in my organization are extremely inspired to manage their own work and are very flexible in their approach to solving problems.
	The organization is very innovative. It maintains the existing products but frequently introduces new products.
	The organization is very heavily invested in innovating products and processes.
	The number of products offered by the organization has steadily increased over the past 5 years.
	The organization is very heavily invested in looking for new opportunities.
	The Organization's processes and products have changed significantly (for the better) over the last 5 years
	The organization finds investing in new ideas and implementing them very effective.
	The organization feels its products and processes require continuous improvements.
	Currently I feel extremely empowered to innovate in the organization.
	The organization tries to exploit opportunities in cases of ambivalent decisions.
	Employees are free to take calculated risks when implementing new ideas
	The organization is always willing to take on high-risk projects.

	The Organization strongly believes that bold acts are necessary to achieve objectives.
	In this competitive market my organization is usually the first to introduce new products and services.
	The organization typically initiates actions to which our competitors respond to.
	The organization conducts market surveys to find out the future needs of our customers.
	My organization takes an aggressive approach in dealing with competitors.
	My organization is highly competitive.
	My organization adopts a confrontation strategy to combat industry trends that may threaten our survival or growth or position in industry.
	My Organization understands that over aggression may spoil our reputation.

Each item was measured on a five point scale, mentioned below:

1- Completely Disagreed
2- Somewhat Disagreed
3- Neutral
4- Somewhat Agreed
5- Completely Agreed

Organizational Performance was broken into different components and was measured using 18 item scales which are mentioned below:

Process Performance was measured using a 3 item scale and each of them were measured on a 5 point rating scale (likert scale). The three item scale is then converted to a single item scale creating a composite variable for Process Performance which are discussed below:

Table 225 – Indicators of Process Performance

Latent Construct	Process Performance Indicators
Process Performance	You are satisfied with your work in process inventory (products which are no longer raw material but have yet to become finished products)
	You are satisfied with the order-fulfillment lead time (time between placement and receipt of an order)
	You are satisfied with the product quality

Supplier Relationship Performance was measured using a 4 item scale and each of them were measured on a 5 point rating scale (likert scale). The four item scale is then converted to a single item scale creating a composite variable for Supplier Relationship Performance which are discussed below:

Table 226: Indicators of Supplier Relationship Performance

Latent Construct	Supplier Relationship Performance Indicators
Supplier Relationship Performance	You are satisfied with the product quality given by the supplier
	You are satisfied with the delivery performance of the supplier
	Your rapport with your suppliers is outstanding
	You have long term relationships with your suppliers and the frequency at which you change them is very low.

People Performance was measured using a 7 item scale and each of them were measured on a 5 point rating scale (likert scale). The seven item scale is then converted to a single item scale creating a composite variable for People Performance which are discussed below:

Table 227 – Indicators of People Performance

Latent Construct	People Performance Indicators
People Performance	Internal issues play absolutely no role in the attrition rate of your organization
	The productivity of employees in your organization is higher than the industry average.
	The level of commitment of your employees towards the organization is very high
	Employees are willing to go the extra mile to put in additional efforts for the organization
	Compared to your competitors, absenteeism in your organization is very low
	The levels of unhappiness and frustration of your employees towards the organization are very low
	The ability to learn and the adaptability of your employees compared to your competitors is very high.

Customer Relationship Performance was measured using a 4 item scale and each of them were measured on a 5 point rating scale (likert scale). The four item scale is then converted to a single item scale creating a composite variable for Customer Relationship Performance which are discussed below:

Table 228 – Indicators of Customer Relationship Performance

Latent Construct	Customer Relationship Performance Indicators
Customer Relationship Performance	Customer complaints received over the last five years have drastically decreased.
	The ability of the organization to retain existing and attract new clients has increased in last five years.
	The reputation of the organization, according to your clients, has drastically increased in last five years.
	The product return rate has drastically decreased over the last five years

Each item was measured on a five point scale, mentioned below:

1- Completely Disagreed
2- Somewhat Disagreed
3- Neutral
4- Somewhat Agreed
5- Completely Agreed

Hypothesis

- **H0:** There is no relationship between Entrepreneurial Orientation and organizational performance **(ρ=0)**

- **H1:** There is a significant relationship between Entrepreneurial Orientation and organizational performance **($\rho{\neq}0$)**

Level of Significance (α) = 0.05

Correlation Table

Table 229 – Spearman's Correlation - Entrepreneurial Orientation and Organizational Performance

Pair	Spearman's rho (ρ)	P-value	Result
Entrepreneurial ↔ Process	0.083	0.150	Not Significant
Entrepreneurial ↔ Supplier	0.261	0.000	Significant
Entrepreneurial ↔ People	0.247	0.000	Significant
Entrepreneurial ↔ Customer	0.195	0.001	Significant

Conclusion

From the above table it can be seen that there is a significant relationship between Entrepreneurial Orientation & Supplier Relationship performance (**ρ** =0.261, **P-value**=0.000), Entrepreneurial Orientation & People Performance (**ρ** =0.247, **P-value**=0.000), Entrepreneurial Orientation & Customer Relationship Performance (**ρ** =0.195, **P-value**=0.001).It is also evident from above table that there is not a significant

relationship between Entrepreneurial Orientation & Process Performance (ρ =0.083, **P-value**=0.150).

Thus we reject the null hypothesis and accept the alternate hypothesis, which says that there is a positive relationship between Entrepreneurial Orientation and organizational performance components, except for the process performance component.

Research Question-15: Whether transformational leadership impact organizational performance?

Statistical tests: Confirmatory factor analysis and Structural equation modeling

The Hypothetical Model

The model consists of one exogenous variable (transformational leadership) and four endogenous variables (process performance, supplier relationship performance, people performance, customer relationship performance).

The hypothetical paths are given below:

1. Transformational leadership is a positive predictor of process performance.
2. Transformational leadership is a positive predictor of supplier relationship performance.
3. Transformational leadership is a positive predictor of people performance.
4. Transformational leadership is a positive predictor of customer relationship performance.
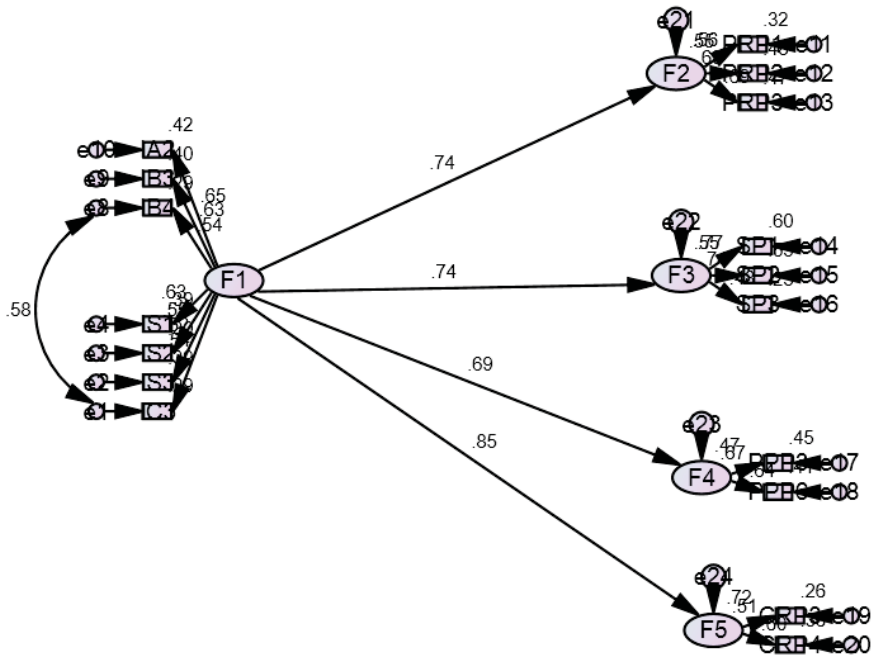
Figure 87: SEM for Transformational Leadership and Organizational Performance

A two-step Structural Equation Modelling strategy using IBM SPSS Amos 20; a full information maximum likelihood procedure was employed in estimating the parameters. The measurement model was tested before the assessment of the structural model. Although the measurement model provides an assessment of convergent validity and discriminant validity of the latent factors, using the measurement model in conjunction with structural model enables a more comprehensive assessment of the full latent model.

Variable and Measurement

A list of one exogenous variable along with their measured indicators is given below:

Table 230 – Indicators of Transformational Leadership

Latent Construct	Transformational Leadership Indicators
IA-2	Leaving personal motives behind for the goodness of the group
IB-3	Taking responsibility for decisions taken and their consequences
IB-4	Putting stress on one mission for all
IS-1	Questioning whether assumptions are correct
IS-2	Taking several perspectives into consideration while problem solving
IS-3	Asking others to tackle the issues from different angles
IC-3	Understanding that every individual has differing requirements

A list of four endogenous variables along with their measured indicators is given below:

- Process Performance (PRP)
- Supplier Relationship Performance (SP)
- People Performance (PPP)
- Customer Relationship Performance (CRP)

Table 231 – Indicators of Process Performance

Latent Construct	Process Performance Indicators
PRP1	You are satisfied with your work in process inventory (products which are no longer raw material but have yet to become finished products)
PRP2	You are satisfied with the order-fulfillment lead time (time between placement and receipt of an order)
PRP3	You are satisfied with the product quality

Table 232 – Indicators of Supplier Relationship Performance

Latent Construct	Supplier Relationship Performance Indicators
SP1	You are satisfied with the product quality given by the supplier
SP2	You are satisfied with the delivery performance of the supplier
SP3	Your rapport with your suppliers is outstanding

Table 233 – Indicators of People Performance

Latent Construct	People Performance Indicators
PPP3	The level of commitment of your employees towards the organization is very high
PPP6	the levels of unhappiness and frustration of your employees towards the organization are very low

Table 234 – Indicators of Customer Relationship Performance

Latent Construct	Customer Relationship Performance Indicators
CRP3	The reputation of the organization, according to your clients, has drastically increased in last five years.
CRP4	The product return rate has drastically decreased over the last five years

Confirmatory Factor Analysis (CFA): Confirmatory factor analysis is a way of testing how well the indicators of a construct represent the construct. SEM involves testing two models: the measurement model and the structural model. CFA is used to validate the measurement model. The researcher's hypothesized model includes five latent construct (Transformational Leadership, Process Performance, Supplier Relationship Performance, People Performance and Customer Relationship Performance).

Confirmatory factor analysis was used to validate the following structure (the measurement model) using IBM Amos 20.
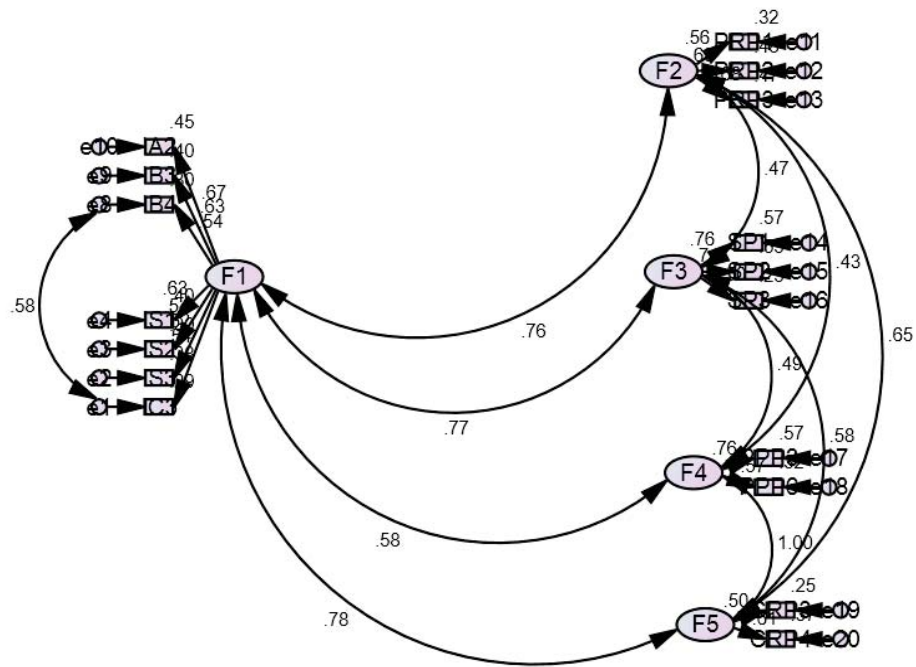
Figure 88 – CFA Model - Transformational Leadership and Organizational Performance

Assessing the Model Fit: Model fit was assessed using CMIN/DF, CFI, PNFI, RMSEA; the result of this model fit indices are given below:

Table 235: CFA - Transformational Leadership and Organizational Performance

Fit Indices	Observed	Criteria	Result
CMIN/DF	3.368	Less than 5	Accepted fit
CFI	0.849	More than 0.9 for good fit, between 0.9 to 0.8 for borderline fit	Borderline fit
PNFI	0.636	More than 0.5	Accepted fit
RMSEA	0.089	Less than 0.08 for adequate fit, between 0.08 and less than 0.1 for borderline fit	Borderline fit

All the above fit indices suggest an acceptable fit between the sample data and the hypothesized model.

Construct Validity & Reliability: Construct validity is the extent to which a set of measured items actually reflect the theoretical latent construct they are designed to measure. It includes:

- Convergent Validity:

  - ➢ Factor Loadings
  - ➢ Average Variance Extracted
  - ➢ Composite Reliability

- Discriminant Validity

  Factor Loading: The size of factor loading is an important indicator of convergent validity. Factor loadings that are significant (loading values above 0.5) indicate convergent validity. Originally the construct was measured using 38 items; however the initial CFA results showed poor factor loadings for items IA-1, IA-3, IA-4, IB-1, IB-2,IM-1, IM-2, IM-3, IM-4, IS-4, IC-1, IC-2, IC-4,SP-4,PPP-1,PPP-2,PPP-4,PPP-5,PPP-7,CRP-1,CRP-2. These were below the threshold value of 0.5. Hence CFA was repeated on a reduced list of items to improve the model fit. The following table shows construct, items of construct and their loading values. Note that the loading of all constructs are above the threshold mark of 0.5 except SP-3 and CRP-3 which has marginally missed the threshold.

Table 236 – Factor Loadings - Transformational Leadership and Organizational Performance

Construct	Item	Factor Loading
Transformational Leadership	IA2	0.668
	IB3	0.633
	IB4	0.545
	IS1	0.631
	IS2	0.544
	IS3	0.62
	IC3	0.538

Process Performance	PRP1	0.563
	PRP2	0.695
	PRP3	0.684
Supplier Relationship Performance	SP1	0.757
	SP2	0.742
	SP3	0.495
People Performance	PPP3	0.758
	PPP6	0.565
Customer Relationship Performance	CRP3	0.499
	CRP4	0.611

Average Variance Extracted (AVE): Average variance extracted is another important indicator of construct validity. As a rule of thumb AVE of 0.5 or higher suggests adequate convergence. Average variances extracted for all construct are below threshold.

Composite Reliability (Alpha): Composite Reliability (alpha) is one of the most widely used measures of internal consistency in structural equation modelling. If items correlate well they are said to be measuring the same construct. Alpha values above 0.6 indicate adequate reliability for a construct. Table no. 237 shows that the alpha values for all constructs are above the threshold mark of 0.6 except for Customer Relationship Performance.

Table 237 – AVE for Transformational Leadership and Organizational Performance

Construct	No. of Items	Composite Reliability	Average Variance Extracted (Construct Validity)
Transformational Leadership	7	0.795	0.358
Process Performance	3	0.685	0.422
Supplier Relationship Performance	3	0.709	0.456
People Performance	2	0.612	0.446

Construct	No. of Items	Composite Reliability	Average Variance Extracted (Construct Validity)
Customer Relationship Performance	2	0.472	0.311

Discriminant Validity: The constructs should be unrelated. Discriminant validity assesses the extent to which a construct is truly distinct from the other constructs in the model. High discrimination validity provides evidence that a construct is unique and different from the rest and that it has phenomenon that other measures do not. Discriminant validity exists if the average variance extracted is greater than r2 between two constructs. Put another way, the square root of AVE should be larger than the correlations between constructs.

Table 238: Discriminant Validity for Transformational Leadership and Organizational Performance

	Transformational Leadership	Process Performance	Supplier Relationship Performance	People Performance	Customer Relationship Performance
Transformational Leadership	0.358	0.582	0.592	0.331	0.6
Process Performance	0.582	0.422	0.219	0.185	0.42
Supplier Relationship Performance	0.592	0.219	0.456	0.240	0.331
People Performance	0.331	0.185	0.240	0.446	1.002
Customer Relationship Performance	0.6	0.42	0.331	1.002	0.311

Diagonal values are the average variance extracted off. Diagonal values are squared correlation scores between constructs.

- Discriminant validity results between **Transformational Leadership** and **Process Performance** showed poor discrimination.

- Discriminant validity results between **Transformational Leadership** and **Supplier Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Transformational Leadership** and **People Performance** showed good discrimination.

- Discriminant validity results between **Transformational Leadership** and **Customer Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Process Performance** and **Transformational Leadership** showed poor discrimination.

- Discriminant validity results between **Process Performance** and **Supplier Relationship Performance** showed good discrimination.

- Discriminant validity results between **Process Performance** and **People Performance** showed good discrimination.

- Discriminant validity results between **Process Performance** and **Customer Relationship Performance** showed good discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Transformational Leadership** showed poor discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Process Performance** showed good discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **People Performance** showed good discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Customer Relationship Performance** showed good discrimination.

- Discriminant validity results between **People Performance** and **Transformational Leadership** showed good discrimination.

- Discriminant validity results between **People Performance** and **Process Performance** showed good discrimination

- Discriminant validity results between **People Performance** and **Supplier Relationship Performance** showed good discrimination

- Discriminant validity results between **People Performance** and **Customer Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Transformational Leadership** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Process Performance** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Supplier Relationship Performance** showed good discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **People Performance** showed poor discrimination.

Conclusion

Fit indices CMIN/DF, CFI, PNFI, and RMSEA suggest an adequate fit between the sample data and the theoretical model. Construct reliability, average variance extracted, and composite reliability suggest that the construct items have internal consistency and the measures are valid. Discriminant validity results showed strong discrimination constructs. Since the measurement model is valid we can proceed to test the structural model.

Assessing the structural model (Structural Equation Modeling): Four criteria were employed to assess the SEM model.

Table 239 – SEM Model Fit Indices - Transformational Leadership and Organizational Performance

Fit Indices	Observed	Criteria	Result
CMIN/DF	3.645	Less than 5	Accepted fit
CFI	0.821	More than 0.9 for good fit, between 0.9 to 0.8 for borderline fit	Borderline fit
PNFI	0.647	More than 0.5	Accepted fit
RMSEA	0.094	Less than 0.08 for adequate fit, between 0.08 and less than 0.1 for borderline fit	Borderline fit

The fit indices suggest a good fit between the sample data and the hypothetical model.

Assessing the Significance of Paths: The strength and significance of the paths were assessed using standardized regression weights and p-value. The following table shows the results for the relationships between exogenous and endogenous variables.

Table 240: Significance of Paths - Transformational Leadership and Organizational Performance

Path	Standardized Regression Weight	p-value	Results
Transformational Leadership – Process Performance	0.742	0.000	Supported
Transformational Leadership – Supplier Relationship Performance	0.739	0.000	Supported
Transformational Leadership – People Performance	0.687	0.000	Supported
Transformational Leadership – Customer Relationship Performance	0.846	0.000	Supported

Conclusion

Transformational leadership is a positive predictor of process performance.

Transformational leadership is a positive predictor of supplier relationship performance.

Transformational leadership is a positive predictor of people performance.

Transformational leadership is a positive predictor of customer relationship performance.

Research Question-16: Whether transactional leadership impact organizational performance?

Statistical tests: Confirmatory factor analysis and Structural equation modeling

Hypothetical Model

The model consists of one exogenous variable (transactional leadership) and four endogenous variables (process performance, supplier relationship performance, people performance, customer relationship performance).

The hypothetical paths are given below:

1. Transactional leadership is a positive predictor of process performance.

2. Transactional leadership is a positive predictor of supplier relationship performance.

3. Transactional leadership is a positive predictor of people performance.

4. Transactional leadership is a positive predictor of customer relationship performance.
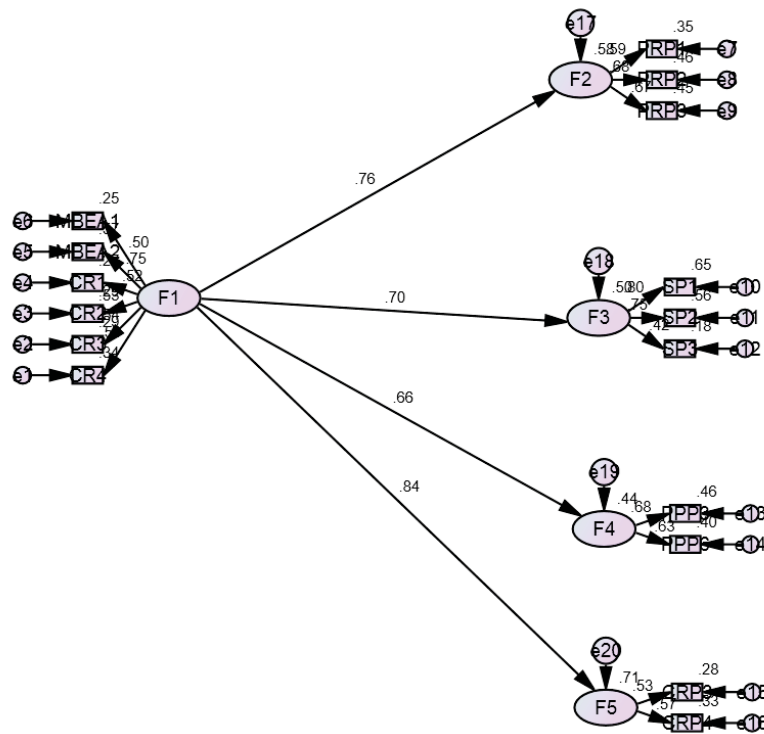
Figure 89: SEM for Transactional Leadership and Organizational Performance

A two-step Structural Equation Modelling strategy using IBM SPSS Amos 20; a full information maximum likelihood procedure was employed in estimating the parameters. The measurement model was tested before the assessment of the structural model. Although the measurement model provides an assessment of the convergent validity and the discriminant validity of the latent factors, the measurement model in conjunction with structural model enables a more comprehensive assessment of the full latent model.

Variable and Measurement: A list of one exogenous variable along with their measured indicators is given below:

(Management-by-Exception Active, Contingent Reward)

Table 241 – Indicators of Transactional Leadership

Latent Construct	Transactional Leadership Indicators
MBEA1	Focusing on getting off the track from set standards
MBEA2	Focusing on managing shortfalls
CR1	Rewarding others for putting additional efforts
CR2	Deciding the responsibilities and targets
CR3	Ensuring clarity of rewards if targets were achieved
CR4	Showing satisfaction is there if the expected outcomes have been achieved

A list of four endogenous variables along with their measured indicators is given below:

(Process Performance (PRP), Supplier Relationship Performance (SP), People Performance (PPP), Customer Relationship Performance (CRP))

Table 242 – Indicators of Process Performance

Latent Construct	Process Performance Indicators
PRP1	You are satisfied with your work in process inventory (products which are no longer raw material but have yet to become finished products)
PRP2	You are satisfied with order-fulfillment lead time (time between placement and receipt of an order)
PRP3	You are satisfied with the product quality

Table 243 – Indicators of Supplier Relationship Performance

Latent Construct	Supplier Relationship Performance Indicators
SP1	You are satisfied with the product quality given by the supplier
SP2	You are satisfied with the delivery performance of the supplier
SP3	Your rapport with your suppliers is outstanding

Table 244 – Indicators of People Performance

Latent Construct	People Performance Indicators
PPP3	The level of commitment of your employees towards the organization is very high
PPP6	The levels of unhappiness and frustration of your employees towards the organization are very low

Table 245 – Indicators of Customer Relationship Performance

Latent Construct	Customer Relationship Performance Indicators
CRP3	The reputation of the organization, according to your clients, has drastically increased in last five years.
CRP4	The product return rate has drastically decreased over the last five years

Confirmatory Factor Analysis: Confirmatory factor analysis is a way of testing how well the indicators of a construct represent the construct. SEM involves testing two models: the measurement model and the structural model. CFA is used to validate the measurement model. The researcher's hypothesized model includes five latent constructs: Transactional leadership (Contingent Reward and Management by Exception-Active), Process Performance, Supplier Relationship Performance, People Performance and Customer Relationship Performance.

Confirmatory factor analysis was used to validate the following structure (measurement model) using IBM Amos 20.
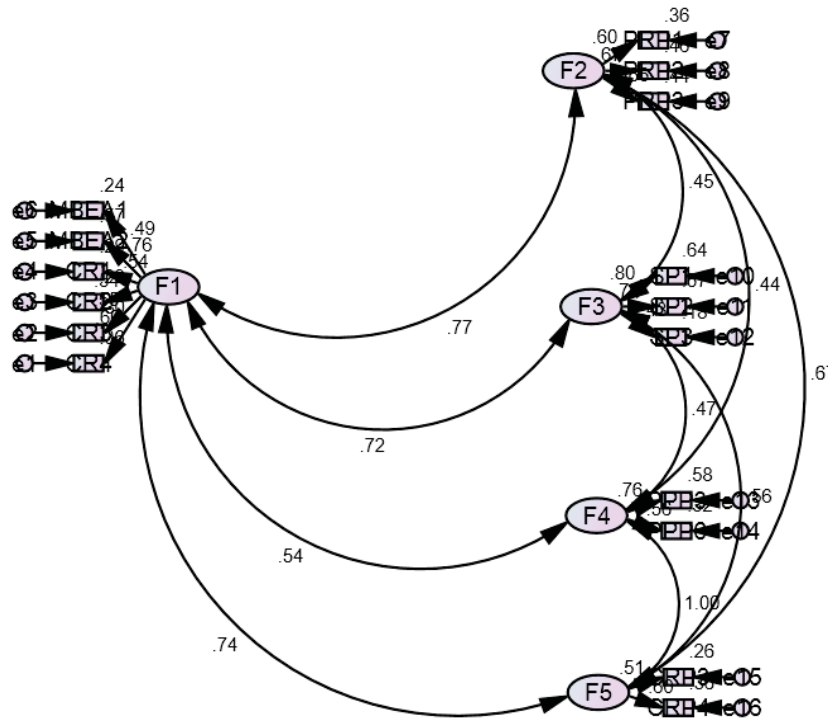
Figure 90 – CFA Model - Transactional Leadership and Organizational Performance

Assessing the Model Fit:

Model fit was assessed using CMIN/DF, CFI, PNFI, RMSEA; the result of this model fit indices are given below.

Table 246 – CFA Model Fit Indices for Transactional Leadership and Organizational Performance

Fit Indices	Observed	Criteria	Result
CMIN/DF	2.780	Less than 5	Accepted fit
CFI	0.873	More than 0.9 for good fit, between 0.9 to 0.8 for borderline fit	Borderline fit
PNFI	0.641	More than 0.5	Accepted fit
RMSEA	0.077	Less than 0.08 for adequate fit, between 0.08 and less than 0.1 borderline fit	Adequate fit

All the above fit indices suggest an acceptable fit between the sample data and the hypothesized model.

Construct Validity & Reliability: Construct validity is the extent to which a set of measured items actually reflect the theoretical latent construct they are designed to measure. It includes:

- Convergent Validity:

  ➢ Factor Loadings
  ➢ Average Variance Extracted
  ➢ Composite Reliability

- Discriminant Validity

Factor Loading: The size of factor loading is an important indicator of convergent validity. Factor loadings that are significant (loading values above 0.5) indicate convergent validity. Originally the construct was measured using 26 items, however the initial CFA results showed poor factor loadings for items MBEA-3, MBEA-4, SP-4, PPP-1, PPP-2, PPP-4, PPP-5, PPP-7, CRP-1, CRP-2. These were below the threshold value of 0.5. Hence CFA was repeated on a reduced list of items to improve the model fit.

The following table shows the construct, construct items, and their loading values. Note that the loading of all constructs are above the threshold mark of 0.5 except SP-3, which has marginally missed the threshold.

Table 247 – Factor Loadings - Transactional Leadership and Organizational Performance

Construct	Item	Factor Loading
Transactional Leadership	MBEA1	0.487
	MBEA2	0.757
	CR1	0.539
	CR2	0.535
	CR3	0.547
	CR4	0.601
Process Performance	PRP1	0.603
	PRP2	0.675
	PRP3	0.663

	SP1	0.800
Supplier Relationship Performance	SP2	0.754
	SP3	0.427
People Performance	PPP3	0.762
	PPP6	0.562
Customer Relationship Performance	CRP3	0.507
	CRP4	0.602

Average Variance Extracted (AVE): Average variance extracted is another important indicator of construct validity. As a rule of thumb AVE of 0.5 or higher suggests adequate convergence. Average variances extracted for all construct are below the threshold.

Composite Reliability (Alpha): Composite Reliability (alpha) is one of the most widely used measures of internal consistency in structural equation modeling. If the items correlate well they are said to be measuring the same construct. Alpha value above 0.6 indicates adequate reliability for a construct. Table no. 248 shows that the alpha value for all constructs except for Customer Relationship Performance are above the threshold mark of 0.6.

Table 248: AVE - Transactional Leadership and Organizational Performance

Construct	No. of Items	Composite Reliability	Average Variance Extracted (Construct Validity)
Transactional Leadership	6	0.752	0.341
Process Performance	3	0.683	0.419
Supplier Relationship Performance	3	0.709	0.463
People Performance	2	0.613	0.448
Customer Relationship Performance	2	0.471	0.309

Discriminant Validity: Constructs should be unrelated. Discriminant validity assesses the extent to which a construct is truly distinct from the other constructs in the model. High discrimination validity provides evidence that a construct is unique and different from the rest and has phenomenon that other measures do not. Discriminant validity exists if the average variance extracted is greater than r2 between two constructs. Put in other words, the square root of AVE should be larger than the correlations between constructs.

Table No.249 Factor Matrix shows the Discriminant Validity.

Table 249: Discriminant Validity for Transactional Leadership and Organizational Performance

	Transactional Leadership	Process Performance	Supplier Relationship Performance	People Performance	Customer Relationship Performance
Transactional Leadership	0.341	0.599	0.512	0.289	0.553
Process Performance	0.599	0.419	0.206	0.191	0.446
Supplier Relationship Performance	0.512	0.206	0.463	0.223	0.313
People Performance	0.289	0.191	0.223	0.448	1.004
Customer Relationship Performance	0.553	0.446	0.313	1.004	0.309

Diagonal values are the average variance extracted off. Diagonal values are the squared correlation scores between constructs.

- Discriminant validity results between **Transactional Leadership** and **Process Performance** showed poor discrimination.

- Discriminant validity results between **Transactional Leadership** and **Supplier Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Transactional Leadership** and **People Performance** showed good discrimination.

- Discriminant validity results between **Transactional Leadership** and **Customer Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Process Performance** and **Transactional Leadership showed** poor discrimination.

- Discriminant validity results between **Process Performance** and **Supplier Relationship Performance** showed good discrimination.

- Discriminant validity results between **Process Performance** and **People Performance** showed good discrimination.

- Discriminant validity results between **Process Performance** and **Customer Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Transactional Leadership** showed poor discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Process Performance** showed good discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **People Performance** showed good discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Customer Relationship Performance** showed good discrimination.

- Discriminant validity results between **People Performance** and **Transactional Leadership** showed good discrimination.

- Discriminant validity results between **People Performance** and **Process Performance** showed good discrimination.

- Discriminant validity results between **People Performance** and **Supplier Relationship Performance** showed good discrimination.

- Discriminant validity results between **People Performance** and **Customer Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Transactional Leadership** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Process Performance** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Supplier Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **People Performance** showed poor discrimination.

Conclusion

Fit indices CMIN/DF, CFI, PNFI, and RMSEA suggest an adequate fit between the sample data and the theoretical model. Construct reliability, average variance extracted, and Composite Reliability (alpha) suggest that construct items have internal consistency and the measures are valid. Discriminant validity results showed strong discrimination constructs. Since the measurement model is valid we can proceed to test the structural model.

Assessing the structural model (Structural Equation Modeling - SEM):

Four criteria were employed to assess the SEM model.

Table 250: SEM Model Fit Indices - Transactional Leadership and Organizational Performance

Fit Indices	Observed	Criteria	Result
CMIN/DF	3.178	Less than 5	Accepted fit
CFI	0.835	More than 0.9 for good fit, between 0.9 to 0.8 for borderline fit	Borderline fit
PNFI	0.649	More than 0.5	Accepted fit
RMSEA	0.085	Less than 0.08 for adequate fit, between 0.08 and less than 0.1 borderline fit	Borderline fit

The fit indices suggest a good fit between the sample data and the hypothetical model.

Assessing the significance of paths: The strength and significance of the paths were assessed using standardized regression weights and p-value. The following table shows the results for the relationships between the exogenous and endogenous variables.

Table 251: Significance of Path - Transactional Leadership and Organizational Performance

Path	Standardized Regression Weight	p-value	Results
Transactional Leadership – Process Performance	0.761	0.000	Supported
Transactional Leadership – Supplier Relationship Performance	0.704	0.000	Supported
Transactional Leadership – People Performance	0.664	0.000	Supported
Transactional Leadership – Customer Relationship Performance	0.841	0.000	Supported

Conclusion

Transactional leadership is a positive predictor of process performance.

Transactional leadership is a positive predictor of supplier relationship performance.

Transactional leadership is a positive predictor of people performance.

Transactional leadership is a positive predictor of customer relationship performance.

Research Question-17: Whether passive-avoidant leadership impact organizational performance?

Statistical tests: Confirmatory factor analysis and Structural equation modeling

The Hypothetical Model

The model consists of one exogenous variable (passive-avoidant leadership) and four endogenous variables (process performance, supplier relationship performance, people performance, customer relationship performance).

The hypothetical paths are given below:

1. Passive-avoidant leadership is a negative predictor of process performance.

2. Passive-avoidant leadership is a negative predictor of supplier relationship performance.

3. Passive-avoidant leadership is a negative predictor of people performance.

4. Passive-avoidant leadership is a negative predictor of customer relationship performance.
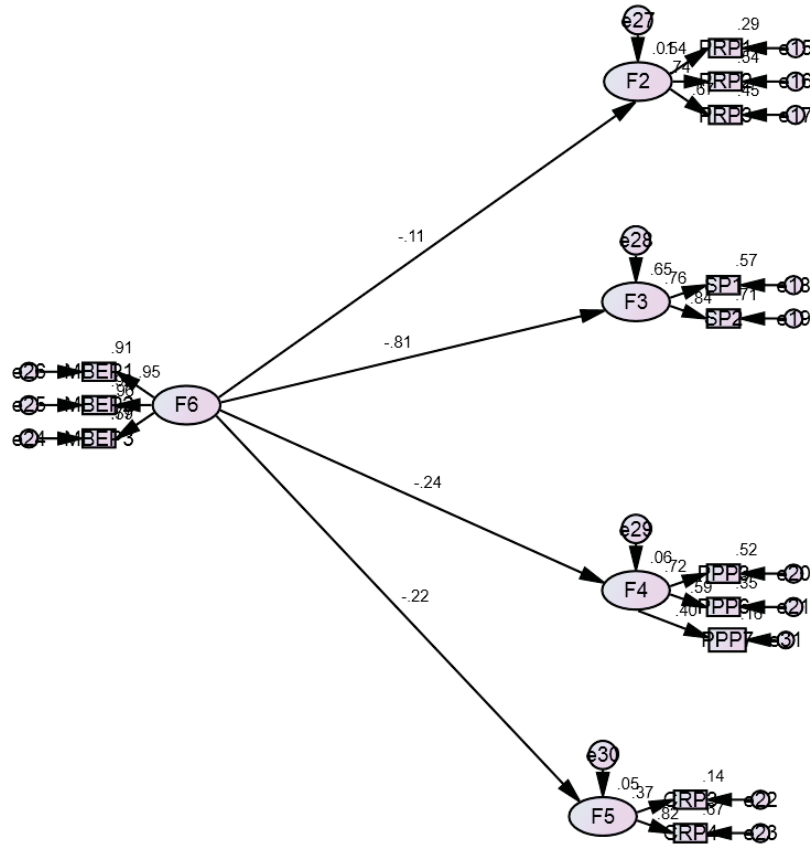
Figure 91 – SEM Model for Passive-avoidant Leadership and Organizational Performance

A two-step Structural Equation Modelling strategy using IBM SPSS Amos 20; a full information maximum likelihood procedure was employed in estimating the parameters. The measurement model was tested before the assessment of the structural model. Although the measurement model provides an assessment of the convergent validity and the discriminant validity of the latent factors, the measurement model in conjunction with the structural model enables a more comprehensive assessment of the full latent model.

Variable and Measurement: A list of one exogenous variable along with their measured indicators is given below:

(Management-by-Exception Passive)

Table 252: Indicators of Passive-avoidant Leadership

Latent Construct	Passive-Avoidant Leadership Indicators
MBEP1	Not interfering until the problem becomes severe
MBEP2	Trying to escape and stay away from important issues
MBEP3	Being unavailable when there is a need

List of four endogenous variables along with their measured indicators is given below:

- Process Performance (PRP)

- Supplier Relationship Performance (SP)

- People Performance (PPP)

- Customer Relationship Performance (CRP)

Table 253: Indicators of Process Performance

Latent Construct	Process Performance Indicators
PRP1	You are satisfied with your work in process inventory (products which are no longer raw material but have yet to become finished products)
PRP2	You are satisfied with the order-fulfillment lead time (time between placement and receipt of an order)
PRP3	You are satisfied with the product quality

Table 254: Indicators of Supplier Relationship Performance

Latent Construct	Supplier Relationship Performance Indicators
SP1	You are satisfied with the product quality given by the supplier
SP2	You are satisfied with the delivery performance of the supplier

Table 255: Indicators of People Performance

Latent Construct	People Performance Indicators
PPP3	The level of commitment of your employees towards the organization is very high
PPP6	The levels of unhappiness and frustration of your employees towards the organization are very low
PPP7	The ability to learn and the adaptability of employees compared to your competitors is very high.

Table 256: Indicators of Customer Relationship Performance

Latent Construct	Customer Relationship Performance Indicators
CRP3	The reputation of the organization, according to your clients, has drastically increased in last five years.
CRP4	The product return rate has drastically decreased over the last five years

Confirmatory Factor Analysis: Confirmatory factor analysis is a way of testing how well the indicators of a construct represent the construct. SEM involves testing two models: the measurement model and the structural model. CFA is used to validate the measurement model. The researcher's hypothesized model includes five latent construct (Passive-avoidant leadership, Process Performance, Supplier Relationship Performance, People Performance and Customer Relationship Performance).

Confirmatory analysis was used to validate the following structure (measurement model) using IBM Amos 20.

Figure 92: CFA Model - Passive-avoidant Leadership and Organizational Performance

Assessing the Model Fit:

Model fit was assessed using CMIN/DF, CFI, PNFI, RMSEA; the result of this model fit indices are given below:

Table 257: CFA - Passive-avoidant Leadership and Organizational Performance

Fit Indices	Observed	Criteria	Result
CMIN/DF	1.890	Less than 5	Accepted fit
CFI	0.971	More than 0.9 for good fit, between 0.9 to 0.8 for borderline fit	Accepted fit
PNFI	0.663	More than 0.5	Accepted fit
RMSEA	0.055	Less than 0.08 for adequate fit, between 0.08 and less than 0.1 borderline fit	Adequate fit

All the above fit indices suggest an acceptable fit between the sample data and the hypothesized model.

Construct Validity & Reliability: Construct validity is the extent to which a set of measured items actually reflect the theoretical latent construct they are designed to measure. It includes:

- Convergent Validity:

  ➢ Factor Loadings
  ➢ Average Variance Extracted
  ➢ Composite Reliability

- Discriminant Validity

Factor Loading: The size of factor loading is an important indicator of convergent validity. Factor loadings that are significant (loading values above 0.5) indicate convergent validity. Originally the construct was measured using 26 items, however the initial CFA results showed poor factor loadings for items MBEP-4,LF-1,LF-2,LF-3,LF-4,SP-3,SP-4,PPP-1,PPP-2,PPP-4,PPP-5,CRP-1,CRP-2. These were below the threshold value of 0.5. Hence CFA was repeated on a reduced list of items to improve the model fit.

The following table shows the construct, construct items, and their loading values. Note that loading of all constructs are above the threshold mark of 0.5 except PPP-7 and CRP-3, which are marginally missed.

Table 258: Factor Loadings - Passive-avoidant Leadership and Organizational Performance

Construct	Item	Factor Loading
Passive-avoidant leadership	MBEP1	0.955
	MBEP2	0.961
	MBEP3	0.771
Process performance	PRP1	0.572
	PRP2	0.693
	PRP3	0.678

Supplier relationship performance	SP1	0.786
	SP2	0.811
People performance	PPP3	0.781
	PPP6	0.563
	PPP7	0.370
Customer relationship performance	CRP3	0.498
	CRP4	0.613

Average Variance Extracted (AVE): Average variance extracted is another important indicator of construct validity. As a rule of thumb AVE of 0.5 or higher suggests adequate convergence. The average variance extracted for all constructs are above 0.5 except Process Performance, People Performance, and Customer Relationship Performance.

Composite Reliability (Alpha): Composite Reliability (alpha) is one of the most widely used measures of internal consistency in structural equation modeling. If items correlate well they are said to be measuring the same construct. Alpha values above 0.6 indicate adequate reliability for a construct. Table no.259 shows that the alpha values for all the constructs except for Customer Relationship Performance are above the threshold mark of 0.6.

Table 259: AVE for Passive-avoidant Leadership and Organizational Performance

Construct	No. of Items	Composite Reliability	Average Variance Extracted (Construct Validity)
Passive-avoidant Leadership	3	0.926	0.809
Process Performance	3	0.685	0.422
Supplier Relationship Performance	2	0.778	0.637
People Performance	2	0.602	0.354

Customer Relationship Performance	2	0.472	0.212

Discriminant Validity: Constructs should be unrelated. Discriminant validity assesses the extent to which a construct is truly distinct from the other constructs in the model. High discrimination validity provides evidence that a construct is unique and different from the rest and has phenomenon that other measures do not. Discriminant validity exists if the average variance extracted is greater than r2 between two constructs. Put in other words, the square root of AVE should be larger than the correlations between constructs.

Table No. 260 Factor Matrix shows Discriminant Validity.

Table 260: Discriminant Validity-Passive-avoidant Leadership and Organizational Performance

	Passive-avoidant Leadership	Process Performance	Supplier Relationship Performance	People Performance	Customer Relationship Performance
Passive-avoidant Leadership	0.809	0.009	0.651	0.043	0.051
Process Performance	0.009	0.422	0.157	0.184	0.42
Supplier Relationship Performance	0.651	0.157	0.637	0.18	0.23
People Performance	0.043	0.184	0.18	0.354	0.923
Customer Relationship Performance	0.051	0.42	0.23	0.923	0.212

Diagonal values are average variance extracted off. Diagonal values are squared correlation scores between constructs.

- Discriminant validity results between **Passive-avoidant Leadership** and **Process Performance** showed good discrimination.

- Discriminant validity results between **Passive-avoidant Leadership** and **Supplier Relationship Performance** showed good discrimination.

- Discriminant validity results between **Passive-avoidant Leadership** and **People Performance** showed good discrimination.

- Discriminant validity results between **Passive-avoidant Leadership** and **Customer Relationship Performance** showed good discrimination.

- Discriminant validity results between **Process Performance** and **Passive-avoidant Leadership** showed good discrimination.

- Discriminant validity results between **Process Performance** and **Supplier Relationship Performance** showed good discrimination.

- Discriminant validity results between **Process Performance** and **People Performance** showed good discrimination.

- Discriminant validity results between **Process Performance** and **Customer Relationship Performance** showed good discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Passive-avoidant Leadership** showed poor discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Process Performance** showed good discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **People Performance** showed good discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Customer Relationship Performance** showed good discrimination.

- Discriminant validity results between **People Performance** and **Passive-avoidant Leadership** showed good discrimination.

- Discriminant validity results between **People Performance** and **Process Performance** showed good discrimination.

- Discriminant validity results between **People Performance** and **Supplier Relationship Performance** showed good discrimination.

- Discriminant validity results between **People Performance** and **Customer Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Passive-avoidant Leadership** showed good discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Process Performance** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Supplier Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **People Performance** showed poor discrimination.

Conclusion

Fit indices CMIN/DF, CFI, PNFI, and RMSEA suggest an adequate fit between the sample data and the theoretical model. Construct reliability, average variance extracted, and Composite Reliability (alpha) suggest that construct items have internal consistency and the measures are valid. Discriminant validity results showed strong discrimination constructs. Since the measurement model is valid we can proceed to test the structural model.

Assessing the Structural Model (Structural Equation Modeling - SEM):

Four criteria were employed to assess the SEM model.

Table 261: SEM Model Fit Indices for Passive-avoidant Leadership and Organizational Performance

Fit Indices	Observed	Criteria	Result
CMIN/DF	4.862	Less than 5	Accepted fit
CFI	0.859	More than 0.9 for good fit, between 0.9 to 0.8 for borderline fit	Borderline fit
PNFI	0.649	More than 0.5	Accepted fit
RMSEA	0.114	Less than 0.08 for adequate fit, between 0.08 and less than 0.1 borderline fit	Marginally missed

The fit indices suggest a good fit between the sample data and the hypothetical model except for RMSEA, which was marginally missed.

Assessing the significance of paths: The strength and significance of the paths were assessed using standardized regression weights and p-value. The following table shows the results for the relationships between the exogenous and the endogenous variables.

Table 262: Significance of Paths Passive-avoidant Leadership and Organizational Performance

Path	Standardized Regression Weight	p-value	Results
Passive-avoidant Leadership – Process Performance	-0.114	0.111	Not Supported
Passive-avoidant Leadership – Supplier Relationship Performance	-0.808	0.000	Supported
Passive-avoidant Leadership - People Performance	-0.239	0.001	Supported
Passive-avoidant Leadership – Customer Relationship Performance	-0.220	0.163	Not Supported

Conclusion

1. Passive-avoidant leadership is not a significant predictor of process performance.

2. Passive-avoidant leadership is a negative predictor of supplier relationship performance.

3. Passive-avoidant leadership is a negative predictor of people performance.

4. Passive-avoidant leadership is not a significant predictor of customer relationship performance.

Research Question-18: Whether entrepreneurial orientation impact organizational performance?

Statistical tests: Confirmatory factor analysis and Structural equation modeling

The Hypothetical Model

The model consists of one exogenous variable (entrepreneurial orientation) and four endogenous variables (process performance, supplier relationship performance, people performance, customer relationship performance).

The hypothetical paths are given below:

1. Entrepreneurial orientation is a positive predictor of process performance.
2. Entrepreneurial orientation is a positive predictor of supplier relationship performance.
3. Entrepreneurial orientation is a positive predictor of people performance.
4. Entrepreneurial orientation is a positive predictor of customer relationship performance.
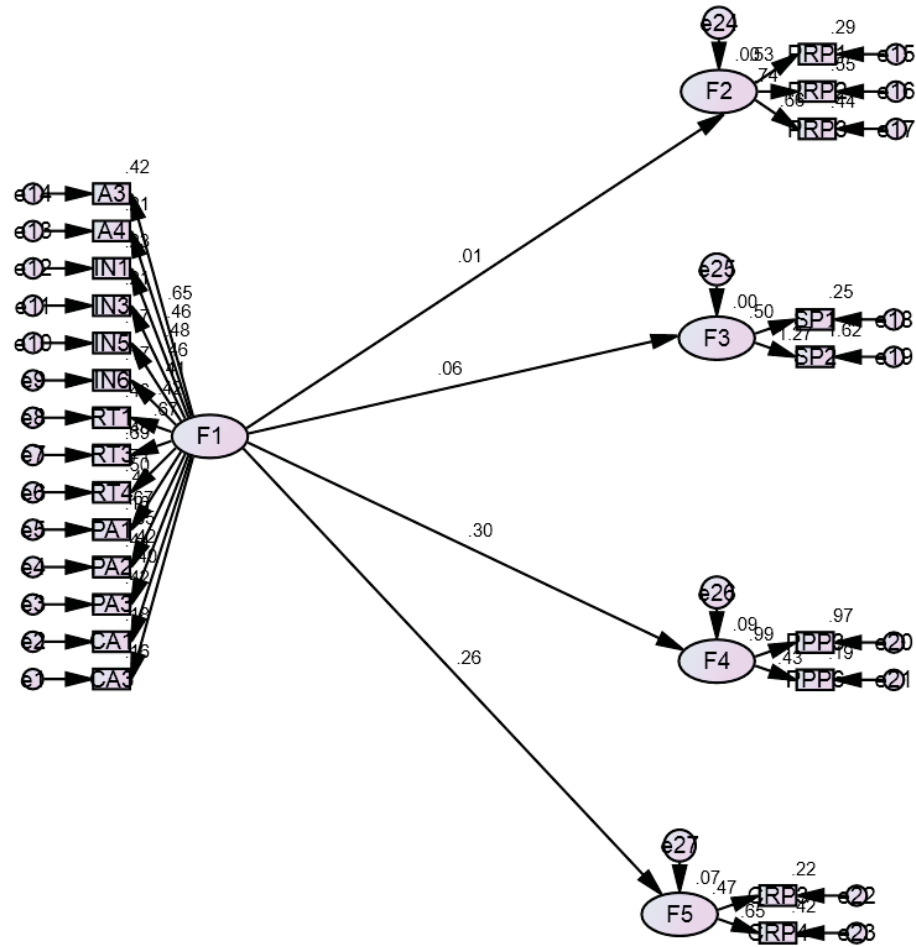
Figure 93: SEM Model for Entrepreneurial Orientation and Organizational Performance

A two-step Structural Equation Modeling strategy using IBM SPSS Amos 20; a full information maximum likelihood procedure was employed in estimating the parameters. The measurement model was tested before the assessment of the structural model. Although the measurement model provides an assessment of the convergent validity and the discriminant validity of the latent factors, the measurement model in conjunction with the structural model enables a more comprehensive assessment of the full latent model.

Variable and Measurement: A list of one exogenous variable along with their measured indicators is given below.

Table 263: Indicators of Entrepreneurial Orientation

Latent Construct	Entrepreneurial orientation Indicators
A-3	Employees in my organization are free to take their decisions independently. They need not to get approval from authorities.
A-4	Employees in my organization are extremely inspired to manage their own work and are very flexible in their approach to solving problems.
IN-1	The organization is very innovative. It maintains the existing products but frequently introduces new products.
IN-3	The number of products offered by the organization has steadily increased over the past 5 years.
IN-5	The Organization's processes and products have changed significantly (for the better) over the last 5 years
IN-6	The organization finds investing in new ideas and implementing them very effective.
RT-1	The organization tries to exploit opportunities in cases of ambivalent decisions.
RT-3	The organization is always willing to take on high-risk projects.
RT-4	The Organization strongly believes that bold acts are necessary to achieve objectives.
PA-1	In this competitive market my organization is usually the first to introduce new products and services.
PA-2	The organization typically initiates actions to which our competitors respond to.
PA-3	The organization conducts market surveys to find out the future needs of our customer.
CA-1	My organization takes an aggressive approach in dealing with competitors.
CA-3	My organization adopts a confrontation strategy to combat industry trends that may threaten our survival or growth or position in industry.

A list of four endogenous variables along with their measured indicators is given below:

(Process Performance (PRP), Supplier Relationship Performance (SP), People Performance (PPP), Customer Relationship Performance (CRP).

Table 264: Indicators of Process Performance

Latent Construct	Process Performance Indicators
PRP1	You are satisfied with your work in process inventory (products which are no longer raw material but have yet to become finished products)
PRP2	You are satisfied with the order-fulfillment lead time (time between placement and receipt of an order)
PRP3	You are satisfied with the product quality

Table 265: Indicators of Supplier Relationship Performance

Latent Construct	Supplier Relationship Performance Indicators
SP1	You are satisfied with the product quality given by the supplier
SP2	You are satisfied with the delivery performance of the supplier

Table 266: Indicators of People Performance

Latent Construct	People Performance Indicators
PPP3	The level of commitment of your employees towards the organization is very high
PPP6	The levels of unhappiness and frustration of your employees towards the organization are very low

Table 267: Indicators of Customer Relationship Performance

Latent Construct	Customer Relationship Performance Indicators
CRP3	The reputation of the organization, according to your clients, has drastically increased in last five years.
CRP4	The product return rate has drastically decreased over the last five years

Confirmatory Factor Analysis: Confirmatory factor analysis is a way of testing how well the indicators of a construct represent the construct. SEM involves testing two models:

the measurement model and the structural model. CFA is used to validate the measurement model. The researcher's hypothesized model includes five latent construct (Passive-avoidant leadership, Process Performance, Supplier Relationship performance, People Performance and Customer Relationship Performance).

Confirmatory analysis was used to validate the following structure (measurement model) using IBM Amos 20.
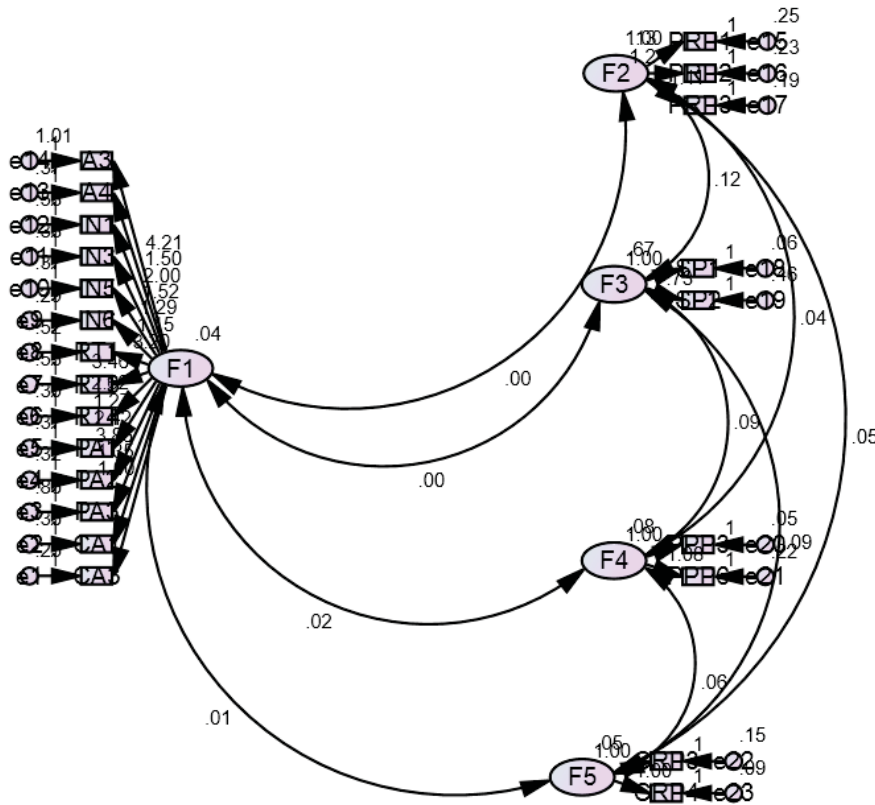

Figure 94: CFA Model of Entrepreneurial Orientation and Organizational Performance

Assessing the Model Fit: Model fit was assessed using CMIN/DF, CFI, PNFI, RMSEA; the result of this model fit indices are given below:

Table 268: CFA Model Fit Indices for Entrepreneurial Orientation and Organizational Performance

Fit Indices	Observed	Criteria	Result
CMIN/DF	2.503	Less than 5	Accepted fit
CFI	0.826	More than 0.9 for good fit, between 0.9 to 0.8 for borderline fit	Borderline fit
PNFI	0.647	More than 0.5	Accepted fit
RMSEA	0.071	Less than 0.08 for adequate fit, between 0.08 and less than 0.1 borderline fit	Adequate fit

All the above fit indices suggest an acceptable fit between the sample data and the hypothesized model.

Construct Validity & Reliability: Construct validity is the extent to which a set of measured items actually reflect the theoretical latent construct they are designed to measure. It includes:

- Convergent Validity:

  - Factor Loadings
  - Average Variance Extracted
  - Composite Reliability

- Discriminant Validity

Factor Loading: The size of factor loading is an important indicator of convergent validity. Factor loadings that are significant (loading values above 0.5) indicate convergent validity. Originally the construct was measured using 41 items, however the initial CFA results showed poor factor loadings for items A-1, A-2, IN-2, IN-4, IN-7, IN-8, CA-2, CA-4,SP-3,SP-4,PPP-1,PPP-2,PPP-4,PPP-5,PPP-7,CRP-1,CRP-2. These were below the threshold value of 0.5. Hence CFA was repeated on a reduced list of items to improve the model fit. The table given below shows; constructs, construct items, and their loading values. Note that the loading of all the constructs are above the threshold mark of 0.5 except A-4, IN-1, IN-3, IN-5, IN-6, PA-1, CA-1, CA-3, which marginally missed the threshold value.

Table 269: Factor Loadings for Entrepreneurial Orientation and Organizational Performance

Construct	Item	Factor Loading
Entrepreneurial Orientation	Autonomy-3	0.657
	Autonomy-4	0.457
	Innovativeness-1	0.480
	Innovativeness-3	0.459
	Innovativeness-5	0.403
	Innovativeness-6	0.409
	RiskTaking-1	0.679
	RiskTaking-3	0.702
	RiskTaking-4	0.704
	Proactiveness-1	0.399
	Proactiveness-2	0.662
	Proactiveness-3	0.655
	Competitive Agressiveness-1	0.422
	Competitive Agressiveness-3	0.386
Process Performance	PRP1	0.585
	PRP2	0.681
	PRP3	0.677
Supplier Relationship Performance	SP1	0.961
	SP2	0.663
People Performance	PPP3	0.779
	PPP6	0.550
Customer Relationship Performance	CRP3	0.505
	CRP4	0.605

Average Variance Extracted (AVE): Average variance extracted is another important indicator of construct validity. As a rule of thumb AVE of 0.5 or higher suggests adequate convergence. Average variance extracted for all constructs are above 0.5 except

Entrepreneurial Orientation, Process Performance, People Performance, and Customer Relationship Performance.

Composite Reliability (Alpha): Composite Reliability (alpha) is one of the most widely used measures of internal consistency in structured equation modeling. If items correlate well they are said to be measuring the same construct. Alpha values above 0.6 indicate adequate reliability for a construct.

Table 270 shows that alpha values for all the constructs except for Customer Relationship Performance are above the threshold mark of 0.6.

Table 270: AVE Extracted for Entrepreneurial Orientation and Organizational Performance

Construct	No. of Items	Composite Reliability	AVE (Construct Validity)
Entrepreneurial Orientation	14	0.850	0.301
Process Performance	3	0.685	0.421
Supplier Relationship Performance	2	0.805	0.681
People Performance	2	0.618	0.454
Customer Relationship Performance	2	0.471	0.310

Discriminant Validity: Constructs should be unrelated. Discriminant validity assesses the extent to which a construct is truly distinct from the other constructs in the model. High discrimination validity provides evidence that a construct is unique and different from the rest and has phenomena that other measures do not. Discriminant validity exists if the average variance extracted is greater than r2 between two constructs. Put another way, the square root of AVE should be larger than the correlations between constructs.

Table No.271 Factor Matrix showing Discriminant Validity.

Table 271: Discriminant Validity for Entrepreneurial Orientation and Organizational Performance

	Entrepreneurial Orientation	Process Performance	Supplier Relationship Performance	People Performance	Customer Relationship Performance
Entrepreneurial Orientation	0.302	0.0006	0.0001	0.1024	0.0506
Process Performance	0.0006	0.421	0.1513	0.1797	0.4382
Supplier Relationship Performance	0.0001	0.1513	0.681	0.1592	0.251
People Performance	0.1024	0.1797	0.1592	0.454	0.982
Customer Relationship Performance	0.0506	0.4382	0.251	0.982	0.310

Diagonal values are average variance extracted off. Diagonal values are squared correlation scores between constructs.

- Discriminant validity results between **Entrepreneurial Orientation** and **Process Performance** showed good discrimination.

- Discriminant validity results between **Entrepreneurial Orientation** and **Supplier Relationship Performance** showed good discrimination.

- Discriminant validity results between **Entrepreneurial Orientation** and **People Performance** showed good discrimination.

- Discriminant validity results between **Entrepreneurial Orientation** and **Customer Relationship Performance** showed good discrimination.

- Discriminant validity results between **Process Performance** and **Entrepreneurial Orientation** showed good discrimination.

- Discriminant validity results between **Process Performance** and **Supplier Relationship Performance** showed good discrimination.

- Discriminant validity results between **Process Performance** and **People Performance** showed good discrimination.

- Discriminant validity results between **Process Performance** and **Customer Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Entrepreneurial Orientation** showed good discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Process Performance** showed good discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **People Performance** showed good discrimination.

- Discriminant validity results between **Supplier Relationship Performance** and **Customer Relationship Performance** showed good discrimination.

- Discriminant validity results between **People Performance** and **Entrepreneurial Orientation** showed good discrimination.

- Discriminant validity results between **People Performance** and **Process Performance** showed good discrimination.

- Discriminant validity results between **People Performance** and **Supplier Relationship Performance** showed good discrimination.

- Discriminant validity results between **People Performance** and **Customer Relationship Performance** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Entrepreneurial Orientation** showed good discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Process Performance** showed poor discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **Supplier Relationship Performance** showed good discrimination.

- Discriminant validity results between **Customer Relationship Performance** and **People Performance** showed poor discrimination.

Conclusion

Fit indices CMIN/DF, CFI, PNFI, and RMSEA suggest an adequate fit between the sample data and the theoretical model. Construct reliability, average variance extracted, and Composite Reliability (alpha) suggest that construct items have internal consistency and the measures are valid. Discriminant validity results showed strong discrimination constructs. Since the measurement model is valid we can proceed to test the structural model.

Assessing the structural model (Structural Equation Modelling):

Four criteria were employed to assess the SEM model.

Table 272: SEM Model Fit Indices for Entrepreneurial Orientation and Organizational Performance

Fit Indices	Observed	Criteria	Result
CMIN/DF	3.352	Less than 5	Accepted fit
CFI	0.720	More than 0.9 for good fit, between 0.9 to 0.8 for borderline fit	Marginally missed
PNFI	0.578	More than 0.5	Accepted fit
RMSEA	0.089	Less than 0.08 for adequate fit, between 0.08 and less than 0.1 borderline fit	Borderline fit

The fit indices suggest a good fit between the sample data and the hypothetical model, except CFI, which is marginally missed the fit criteria.

Assessing the Significance of Paths: The strength and significance of the paths were assessed using standardized regression weights and p-value. The following table shows the results for the relationship between the exogenous and the endogenous variables.

Table 273: Significance of Paths - Entrepreneurial Orientation and Organizational Performance

Path	Standardized Regression Weight	p-value	Results
Entrepreneurial Orientation – Process Performance	0.007	0.92	Not Supported
Entrepreneurial Orientation – Supplier Relationship Performance	0.064	0.60	Not Supported
Entrepreneurial Orientation – People Performance	0.297	0.00	Supported
Entrepreneurial Orientation – Customer Relationship Performance	0.262	0.05	Supported

Conclusion

1. Entrepreneurial orientation is not a positive predictor of process performance.
2. Entrepreneurial orientation is not a positive predictor of supplier relationship performance.
3. Entrepreneurial orientation is a positive predictor of people performance.
4. Entrepreneurial orientation is a positive predictor of customer relationship performance.

5.   Discussions and Conclusions

The sole purpose of this chapter is to segregate the complete research findings of this quantitative study, discuss the results, and from the results come to a conclusion. A data analysis has been performed to assess the demographics, descriptive statistics have been tested for all the variables involved in the research and various statistical tests have been performed to test the research question, all of which will help to assess the hypothesis. This chapter is structured as follows:

Section-1: Demographics Assessment

Section-2: Descriptive Assessment

Section-3: Hypothesis Assessment.

5.1   Demographics Assessment

Demographic information was examined from all the participants in the research study. This information is important in helping us to determine whether the participants in the study are a representative sample of the population. If they are, we are safe to generalize the results. The demographics have been treated as independent variables in this research design.

Demographic information was captured about age, experience, gender, qualification, designation, and quality certification. Respondents gave their age and it was grouped into 5 groups ranging from less than 30years to 60+ years. It was found that most respondents who were engaged in business activities were in the age group between 30-40 years, followed by the less than 30 years old group, which was followed by the 40-50 years age group..

The conclusion here is that when it comes to business activities, respondents who are below 50 years of age make a bigger chunk of individuals than the respondents who are above 50 years of age.

The respondents were also asked about their experience level. The number of years of experience was grouped into 4 groups ranging from less than 10 years to 30+ years. It

was found that most individuals have less than 10 years of experience, followed by the individuals with experience ranging between 10-20 years, followed by the individuals with an experience level between 20-30 years.

The conclusion here is that the majority of the respondents have less than 30 years' experience.

The respondents were asked about their gender, which was classified into two groups, namely male and female. It was found that in business activities males are much more common than females.

The respondents were also asked about their level of qualifications. The qualifications were then grouped into 3 groups, namely under-graduate, graduate and post graduate. It was found that in terms of business activities, graduates were more common than post graduates and undergraduates.

The respondents were also asked to answer whether they have any quality certification or not. It was found that only 8% of the total samples have quality certification with them.

The respondents were asked about their designation. It was found that in terms of business activities owners and managers are same in total samples, where owners are slightly more common than managers.

Lastly, the respondents were assessed for their dominant leadership styles and it has been found that Transactional leadership respondents were high followed by Transformational and Passive-avoidant Leadership

The findings confirm that the demographics of individuals who are engaged in business activities are either in their early thirties or late thirties, with the majority of them having graduation degrees. Most have less than 20 years of experience and have been serving their organizations as owners or managers of SME's from manufacturing industry of Pune.

5.2   Descriptive Assessment

The respondents of the study were exposed to various statements about perspectives on leadership styles, perspectives on entrepreneurial orientations and perspectives on organizational performance. The study involved 77 statements which were examined using descriptive statistics. The leadership styles assessment involved 36 statements, entrepreneurial orientation involved 23 statements and organizational performance involved 18 statements.

The results of leadership styles confirms and leads to the conclusion that owners/managers of SME's from the manufacturing industry of Pune practice transformational leadership and transactional leadership behavior more frequently than passive-avoidant leadership behavior.

The results of entrepreneurial orientations confirms and lead to conclusion that owners/manager of SME's from the manufacturing industry of Pune have autonomy in their work, they are risk takers, and they are innovative and proactive in their approaches, which allows them to be aggressive in competitively outperforming others in business activities.

The results of organizational performance confirms and lead to conclusion that owners/managers of SME's from the manufacturing industry of Pune are very much satisfied with the way their organizations are performing on various fronts such as process performance, supplier relationship performance, people performance, and customer relationship performance.

5.3   Hypothesis Assessment

The sole purpose of this quantitative research study was to explore the impact of leadership styles and entrepreneurial orientation on organizational performance of SME's in the manufacturing industry in Pune. This section will present the conclusion to each research question for which a hypothesis was formulated and tested.

Research Question-1: Does gender influence Leadership Styles and Entrepreneurial orientation?

The answer to this question was developed from a data analysis of the survey. The researcher has found that owners/managers have shown three different leadership styles. These styles are transformational, transactional and passive-avoidant leadership styles. The finding suggests that there is no influence of gender on leadership styles and entrepreneurial orientation. The literature also suggests that there is a no influence of gender on leadership styles (Samantha C. Paustian-Underdahl, 2014). Similarly other research scholars suggested that they have found influence of gender on entrepreneurial orientation (Daniel Quaye, 2015).

Research Question-2: Does age influence Leadership Styles and Entrepreneurial orientation?

Data analysis results of the survey helped in developing the answer to this question. The researcher has found that owners/managers have shown three different leadership styles. Those styles are transformational, transactional and passive-avoidant leadership styles. The findings have suggested that age influences entrepreneurial orientation only and does not influence the leadership style of owners/managers. The individuals in the age group of less than 30 years old and the individuals in the age group more than 50 years showed high entrepreneurial spirit when compared with other age groups, but the highest number of individuals with high entrepreneurial spirit were in the young age group. The previous literature suggests that age does influence entrepreneurial orientation but inversely. The entrepreneurial spirit reported in the literature is higher in the younger age groups than it is in the higher age groups (Kaunda, 2012). Some research scholars contradict this such as Rotefoss and Kolvereid who suggested that the necessary competencies required for entrepreneurship increase with age.

Research Question-3: Does experience influence Leadership Styles and Entrepreneurial orientation?

The data analysis results of the survey suggest that the experience of owners/managers has no influence on leadership styles and entrepreneurial orientation. It has been studied from past literature that SME's in developing nations have often suffered from a lack of experience and skills, these SME's also face the limitations of experience while participating in international activities (Taylor, 2013). Experience doesn't influence leadership styles, as (Fiedler, 1968) has mentioned that if experience is contributing any value to leadership it has to generalizable to other situations also, thus it doesn't relate to have any impact on leadership style of owners/managers.

Research Question-4: Does qualification influence Leadership Styles and Entrepreneurial orientation?

Data analysis results of the survey helped in developing the answer to this question. The researcher has found that qualification has an influence on leadership styles only it doesn't influence the entrepreneurial orientation of owner/managers. The findings have suggested that qualifications in particular influence the transformational and transactional leadership styles. In the current research study undergraduates showed the most transformational behavior, followed by graduates and postgraduates. On the other hand graduates showed the most transactional behavior, followed by post-graduates and then undergraduates. Other research scholars have also found similar results where they have said that a leader's level of qualification produced a significant impact on follower's perception, mainly with transformational and transactional leadership (John E. Barbuto Jr., 2007). While qualification does impact leadership styles, some researchers have argued that qualifications may impact entrepreneurial orientation also; however there are insufficient studies on this to accept this perception (Ivana Bilic, 2011).

Research Question-5: Does designation influence Leadership Styles and Entrepreneurial orientation?

Data analysis results of the survey helped in developing the answer to this question. The researcher found that designation has no influence on entrepreneurial orientation, transactional leadership and passive-avoidant leadership. Designation only influences the transformational leadership style behavior. The findings have suggested that managers of SME's show more transformational leadership style behavior than owners of these SME's. Other research scholars have suggested that designation can be considered a motivation aspect to individuals and that it does influence the leadership style (Abdul Qayyum Chaudhry, 2012).

Research Question-6: Whether there is a difference in the extent of transformational leadership style components practiced among respondents of SME's.

There has been little research on how owners/managers practice the transformational leadership components (Idealized Attributes, Idealized Behavior, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration). Determining which components they practiced the most is of high importance as it decides the impact on the follower's perception.

The finding of this study have suggested that owners/managers of SME's in the manufacturing industry of Pune practice the Inspirational Motivation aspect most, followed by Individualized Consideration, then Idealized Behavior, Intellectual Stimulation and then last Idealized Attribute.

Thus, it leads to the conclusion that owners/manager keep their followers highly motivated, pay attention to their issues and show them the behavior which will stimulate their thinking to achieve the maximum output.

Research Question-7: Whether there is a difference in the frequency of transactional leadership components (Management by Exception-Active, Contingent Reward) practiced among owners /managers of SME's.

There has been little research on how owners/managers practice transactional leadership components (Management by exception-active, contingent reward). The way these components are practiced by owners/managers shape how the follower's perceive the leader.

The findings of the study suggest that owners/managers of SME's in the manufacturing industry of Pune practice both management by exception-active and contingent reward to the same extent to influence their followers perception.

Thus, it leads to the conclusion that owners/manager are keeping their followers on their toes through a high transactional reward system. This means the owners/managers provide reward for work and a penalty for not achieving the desired task in order to get the maximum output from the workers.

Research Question-8: Whether there is a difference in the frequency of passive-avoidant leadership components (Management by Exception-Passive, Laissez-faire) practiced among owners/managers of SME's.

There has been little research on how owners/managers practice the passive-avoidant leadership components (Management by exception-active, contingent reward). The way these components are practiced by owners/managers shape the follower's perception of the leaders.

The finding of the study have suggested that owners/managers of SME's in the manufacturing industry of Pune practice the laissez-faire approach more and management by exception-passive less when influencing their followers perception.

Thus, it leads to the conclusion that owners/manager avoid taking on decisions and stay away from severe situations when in fact they need to interfere and resolve the issues. Due to this it's hard for them to achieve the maximum output from their followers.

Research Question-9: Whether there is a difference in the frequency of entrepreneurial orientation components practiced among respondents of SME's.

There has been little research on how owners/managers practice the entrepreneurial orientation components (autonomy, innovativeness, risk-taking, Proactiveness and competitive aggressiveness). The way they practice these components shape the orientation of their organization.

The finding of the study suggests that owners/managers of SME's in the manufacturing industry of Pune mostly practice Innovativeness in their approach, followed by a risk-taking attitude to enter into new opportunities. Less commonly they give autonomy to their self and followers to work independently to achieve the best performance. The study finds the owners/managers low in their competitive aggressiveness and Proactiveness in dealing with the external environment of business.

Thus, it leads to the conclusion that owners/manager are innovative and high risk-takers.

Research Question-10: Whether Leadership Styles and Entrepreneurial Orientation are co-related?

Data analysis results of the survey helped in developing the answer to this question. The researcher found that there is a high correlation between transformational leadership style and entrepreneurial orientation when compared to transactional and passive-avoidant leadership style.

Research Question-11: Whether Transformational Leadership Style and Organizational Performance are co-related?

Data analysis results helped in developing the answer to this question which examined the effects of transformational leadership style on organizational performance (process performance, supplier relationship performance, people performance and customer relationship performance). The researcher has found that there is a strong correlation between transformational leadership style and overall organizational performance. In particular the transformational leadership style of owners/managers was strongly correlated with supplier relationship performance, followed by process performance, people performance and then customer relationship performance. Other research scholars have also reported that transformational leadership is strongly correlated with business performance and that it's a key requirement to succeed in business (Ali Noruzy, 2013).

Research Question-12: Whether Transactional Leadership Style and Organizational Performance are co-related?

Data analysis results helped in developing the answer to this question which examined transactional leadership style and organizational performance (process performance, supplier relationship performance, people performance and customer relationship performance). The researcher has found that there is a strong correlation between transactional leadership style and organizational performance overall. In particular, the transactional leadership style of owners/managers was strongly correlated with supplier relationship performance, followed by customer relationship performance, people performance and then process performance.

The literature from other research scholars has also suggested that transactional leadership is correlated to organizational performance (Namusonge, 2012).

Research Question-13: Whether Passive-Avoidant Leadership Style and Organizational Performance are co-related?

The findings of the study confirm that the passive-avoidant leadership style is not significantly correlated to organizational performance. Previous studies have reported similar results where passive-avoidant leadership has not contributed to organizational performance and hence there is no correlation exits between them (Namusonge, The effect of leadership styles on organizational performance at state corporations in Kenya, 2012).

Research Question-14: Whether Entrepreneurial Orientation and Organizational Performance are co-related?

Data analysis results of the survey helped in developing the answer to this question which examined entrepreneurial orientation and organizational performance (process performance, supplier relationship performance, people performance and customer relationship performance). The researcher found that there is a significant correlation between entrepreneurial orientation and overall organizational performance. In particular the entrepreneurial orientations of owners/managers were strongly correlated to supplier relationship performance, followed by people performance, customer relationship performance and then process performance. Previous studies have quoted the same relationship between entrepreneurial orientation and organizational performance (Dess G. L., 2001).

Research Question-15: Whether transformational leadership impact organizational performance?

The main objective of the study was to find out the impact of transformational leadership on organizational performance. To study this effect we have used structural equation modeling. The researcher has found that transformational leadership does impact the organizational performance. In particular the effect of transformational leadership can be seen most on customer relationship performance, followed by impacting process performance, supplier relationship performance and people performance. It leads to conclusion that if owners/managers of SME's in the manufacturing industry of Pune pursues a transformational leadership role this will help to improve organizational

performance to a great extent. Previous studies support this conclusion, suggesting that transformational leadership has influenced the organizational performance of manufacturing organizations whereas on the other hand, some researcher have argued that transformational leadership fails to effect organizational performance in small and medium scale enterprises (Obiwuru Timothy C., 2011).

Research Question-16: Whether transactional leadership impact organizational performance?

The main objective of the study was to find out the impact of transactional leadership on organizational performance. To study this effect we used structural equation modeling. The researcher found that transactional leadership does impact the organizational performance; in particular the effect of transactional leadership can be seen most on customer relationship performance, followed by process performance, supplier relationship performance and people performance. It leads to conclusion that owners/managers of SME's in the manufacturing industry of Pune should practice transactional leadership as this creates a feasible way of strengthening their follower's goals by providing the required information to them on how to achieve goals and what rewards they will get on achieving the goals. This motivates the followers to improve the organizational productivity to its maximum. Other research scholars in previous studies have mentioned that transactional leadership does influence organizational performance (Agu, 2012). On the other hand some researchers in the past have argued that transactional leadership doesn't have a significant effect on organizational performance (Omer Faruk Iscan, 2014).

Research Question-17: Whether passive-avoidant leadership impact organizational performance?

The main objective of the study was to find out the impact of passive-avoidant leadership on organizational performance. To study this effect we used structural equation

modeling. The researcher found that passive-avoidant leadership effects negatively on the organizational performance, in particular passive-avoidant leadership shows a significant negative effect on supplier relationship performance and people performance, while it doesn't at all impact customer relationship performance and process performance. This leads to conclusion that owner/managers of SME' in the manufacturing industry of Pune should avoid practicing such leadership to avoid significant losses. Instead the owners/managers should develop themselves to exhibit transformational and transactional leadership behavior in order to achieve the best performance. Other previous studies have suggested that in passive-avoidant leadership style, no one shoulders the responsibility for achieving the organization's goals. It indicates the laissez-faire leadership style is a style guaranteed to fail when taking responsibility to lead an organization (Akoma Lucy, 2014).

Research Question-18: Whether entrepreneurial orientation impact organizational performance?

The main objective of the study was to find out the impact of entrepreneurial orientation on organizational performance. To study this effect we used structural equation modeling. The researcher found that entrepreneurial orientation impacts the organizational performance; in particular it has an effect on people and customer relationship performance, while it doesn't have any effect on process performance and supplier relationship performance. This leads to conclusion that owners/managers of SME's in the manufacturing industry of Pune should align their entrepreneurial orientation to impact the overall organizational performance. This would also improve the process and supplier relationship performance, thereby making the organization highly entrepreneurial oriented. The findings of other research scholar have the same conclusions; entrepreneurial orientation does impact organizational performance. The other studies have found that entrepreneurial orientation helps to improve the organizational performance and also it helps to understand organization's entrepreneurial design in order to encourage employees to engage in entrepreneurial activities (Amer Dehghan Najmabadi, 2013).

Overall Summary of the Conclusions

This research study was focused on examining the impact of leadership styles and entrepreneurial orientation on organizational performance of SME's in the manufacturing industry of Pune. The study showed that 60% samples are showing transactional leadership trait followed by 36.6% transformational leadership and remaining 3.3% passive avoidant leadership. The study has showed significant results between transformational and transactional leadership styles and organizational performance, whereas the passive-avoidant leadership style proved to be a negative predictor of organizational performance. Thus, owners/manager of SME's in the manufacturing industry of Pune should practice and adapt the transformational leadership for supplier relationship performance , people performance , customer relationship performance whereas they should develop transactional leadership styles trait for process performance and avoid passive-avoidant leadership in order to significantly improve the performance of the business. It can be concluded that transformational and transactional leadership styles of owners/manager of SME's are important for the sustenance and growth of these SME's. This study also found that the entrepreneurial orientation of owners/manager of SME's in the manufacturing industry of Pune has a significant effect on organizational performance and thus it can be concluded that leadership styles and entrepreneurial orientation can largely impact the success and existence of these SME's.

The study has also explored whether demographics has any influence on leadership styles and entrepreneurial orientation. It was found that gender and experience has no influence on leadership styles and entrepreneurial orientation while on the other hand age does influence the entrepreneurial orientation of owners/managers of SME's. The qualification of owners/manager of SME's has influence on transformational and transactional leadership styles but it has seen that undergraduates are more transformational and graduates are more transactional. Thus, it can be concluded that demographics play a vital role in shaping the leadership behavior of these SME owners/managers and it helps if the organization is more entrepreneurial oriented.

The study also examined the components of leadership styles and entrepreneurial orientation. It leads to the conclusion that owners/managers of SME's in the

manufacturing industry of Pune are high innovators and risk-takers, while in leadership they practice both transformational and transactional leadership styles.

The study has found that transformational leadership is moderately better than transactional leadership and to succeed the respondents should realign their leadership capabilities in transformational leadership mode and must avoid passive-avoidant leadership approach.

These finding are consistent with other studies which found a strong link between transformational leadership and organizational performance, transactional leadership and organizational performance, entrepreneurial orientation and organizational performance.

6.   Contribution to the Body of Knowledge

The results of this research study have the ability and strength to contribute to the general theory of leadership, entrepreneurship and strategic performance management.

1. To the research community, this is the first and foremost empirical study of SME's in the manufacturing industry of Pune where the impact of leadership styles and entrepreneurial orientation on organizational performance has been studied.

2. The use of SME's as a population sample of the study provides substantial proof that the construct of leadership styles and entrepreneurial orientation does have relevance not only for multinational enterprises organizational settings but also in the organizational context of SME's.

3. The research suggests that owners/managers of SME's in the manufacturing industry of Pune practice mainly transformational and transactional leadership. They should avoid practicing the passive-avoidant leadership styles which impact negatively on organizational performance. The transformational leadership style has a major effect on supplier relationship performance, customer relationship performance and people performance whereas on other hand transactional leadership has a major effect on process performance as compare to transformational leadership. It shows that transformational and transactional leadership styles both need to play a role in the internal and external factors of the business environment to succeed.

4. The research suggests that while practicing transformational leadership styles the owners/managers are highly motivated to show consideration for their employees. On the other hand, while practicing transactional leadership they exhibit reward and punishment behavior towards employees.

5. The research identified the entrepreneurial orientation dimensions of owners/managers of SME's in the manufacturing industry of Pune which shows that they are highly innovative and also have high risk appetite. The research also

shows that to succeed they should also focus their attention on Proactiveness and they should become more competitively aggressive to survive in this dynamic business environment.

6. The research has contributed to the knowledge base suggesting that transformational leadership should be practiced more as it has moderately high impact on business performance.

7.   Limitations of this Research

As a natural phenomenon in any research study, several limitations arise due to constraints like limited resources and time. These limitations may affect the findings and conclusions of the research study. The limitations related to this study within the context of SME's in the manufacturing industry of Pune are given below:

Firstly, the limitation was the English language usage; it was difficult for some respondents to understand the interview questions in English, so on these occasions the questions were asked to respondents in the local native language (in this case it was Marathi).

Secondly, due to the scarcity of research journals and articles, the researcher found that there were limitations related to information sought on leadership of owners/managers of SME's, both in Pune or even statewide. This points to a research gap in the literature and thus it justifies the importance of the topic of leadership styles as a topic of research study. To assess the leadership styles of owners/manager of SME's; a full range of leadership model developed by Bass & Avolio, called MLQ (Multifactor Leadership Questionnaire) was used. As it was developed in the western part of the world it may have certain biases related to culture and environment factors, so there might be some constructs of leadership which may not fit into the Indian context, in particular to SME's in Pune from the manufacturing industry.

Thirdly, the entrepreneurial orientation was measured using a questionnaire which was adapted from previous studies which were mostly done in the western part of the world by Lumpkin & Dess, Kusumawardhani and Slevin & Covin. Some constructs may not relate to the research study of owners/managers of SME's.

Fourthly, organizational performance was measured using a subjective perspective rather than an objective perspective, particularly when dealing with finance and other aspects. So it might have created a situation which doesn't capture the real state of the respondents, which in this case is the performance of SME's.

Fifth, since the research study used a cross-sectional design in which the data was collected once (at only one point of time), it leaves the researcher with the inability to capture the long term effect of leadership styles and entrepreneurial orientation of owners/managers of SME's. Since the leadership behavior and entrepreneurial orientation evolve over time it is important to look for a long term study of these behaviors.

8.   Recommendations

On the basis of the research findings the researcher has certain recommendations which are described below:

8.1   Recommendations for SME Enterprises

1. The research findings suggest that owners/mangers of SME's practice different leadership styles. The owners/managers of SME's in the manufacturing industry of Pune should take a second look and re-evaluate their leadership styles to create a long term impact on their followers, given their present challenges and opportunities.

2. The research findings also suggest that owners/managers of SME's practice entrepreneurial orientation components such as innovation, risk-taking, autonomy etc. which can help them to build a distinctive advantage for their organization. The owners/managers of SME's in the manufacturing industry of Pune should realign these components to suit the business environment in which they operate. In this way they can build those entrepreneurial capacities and can create more value for their organizations.

3. It was observed in the current research study that Proactiveness and competitive aggressiveness components are less practiced by owners/managers of SME's in the manufacturing industry of Pune. These components are of prime importance to combat the competition and respond to uncertainties. The owners/managers should build capabilities around these aspects to create a competitive organization which will ultimately help in the sustenance and growth of their organization.

4. Due to the capital crunch and other aspects it has been seen that very few SME's have done quality certifications.   The owners/manager of SME's in the manufacturing industry of Pune should consider getting these certifications done as in return it will to develop the competitive advantage in delivering a quality product and also it will help the organizations to streamline the processes and be more productive.

5. In Pune the SME's, particularly in the manufacturing domain, have been divided into various geographic clusters. Integration of all these clusters in a virtual way will help to create a knowledge repository which will help owner/managers to understand various challenges and opportunities in the business. Also, the integration will help the owners/managers to mitigate the risk using the various channels of business existing in the current scenario.

8.2   Recommendations for Policy-making Institutions

1. The government authorities along with other stakeholders, such as chamber of commerce or not-for-profit organizations, can develop more specific programs, in particular regarding the development of leadership and entrepreneurship skills, using a national and international collection of knowledge specifically from the SME domain in various states and countries and use this knowledge to adapt to the best practices suited to a local application. At the same time, while developing these skills for owners/managers of SME's, they should also introduce a hand-holding process through the expert committee setup which will guide them through various phases such as startup, growth and also in turbulent times.

2. It was seen from the research findings that a considerable number of owners/managers do not have the necessary qualifications, so the ministry of human resource development, with the aid of state universities and also online/distance universities, can develop such programs at a subsidized rate, which can facilitate the learning for these owners/managers and help them to complete the basic studies and also develop skills regarding functional and operational parts of an organizations. This will foster the development of SME's so they can recruit other students from the university who have the required skills.

3. A simple cloud based system should be designed by government authorities (ensuring that the said system will also be available on smartphones), where the owners/managers can get to know various government programs from time to time and also give them the chance to get to know the international market and the demand for major products from time to time. The conditions to access the

system should be based on the identification number of SME. It will foster a healthy environment where it will encourage unregistered SME's to register themselves and take advantage of the benefits of the facility and also contribute to the nation's economy.

9.   Scope for Future Research

The researcher has several suggestions based on the findings of the current research study for future researchers who wish to focus and study in the leadership and entrepreneurship domain.

1. The sample size of a survey should consider all the clusters of manufacturing SMEs, it would be beneficial to study the phenomena in more detail and the results would be more generalizable.

2. A gender based study would provide more insights on competencies of male and female owners/managers and also it would help to understand which gender has a greater influence on organizational performance.

3. Studies can be conducted on family running businesses comparing them against first time business owners, where clear distinctive leadership and entrepreneurial qualities can be identified and a comparison can be done with respect to organizational performance.

4. Studies can use a customized leadership and entrepreneurship instrument that has more relevance to local context rather than global. On the other hand, when measuring the performance of organizations a more objective approach could help to get a better picture of the influence due to leadership styles and entrepreneurial orientation on organizational performance.

5. A longitudinal study (rather than cross-sectional study) would help to determine and extend the findings further, as it will help to study the phenomena over a period of time, where researchers can study whether the leadership styles and entrepreneurial orientation of owner/managers may change or not over time, and how that might influence the organizational performance over the same period of time

6. A study can be performed comparing organizations with quality and process certification against the organizations who don't possess these certifications, as it

will help to understand whether the organizations with certifications have a more disciplined approach towards business and perform better when compared against the organizations who don't have these certifications, or vice-versa.

7. A study based on an organizations experience would help to understand their orientation towards operating in local as well as global markets.

Appendix A - Introductory Cover Letter

Dear Survey Participant,

I am Nitin Vaidya, and I am a doctoral (PhD) student in Business Management discipline at Tilak Maharashtra Vidyapeeth, Pune. As a part of the research study, all candidates are required to undertake a research project which will examine an issue relating to business environment. With this letter, I would like to invite you to participate in this research.

The objective of this research is to investigate the relationship between leadership styles, entrepreneurial orientation and organizational performance of MSMEs in Pune region.

In particular, the research this research is expected to provide a better understanding of leadership & entrepreneurial activities of MSMEs in the Pune region. My intended respondents are **owners**/ **managers/supervisors** of the firms.

In this regard, I have attached a survey questionnaire. Completion of survey is voluntary and should take approximately 30 minutes to complete. Please answer all questions based on your experience and knowledge. Surveys are anonymous and all are private and confidential. Only my research guide and I will have access to information you give and it will be kept secure.

Your assistance in completing the survey is highly appreciated and participants may withdraw at any point of time.

If you have any queries regarding this research, please contact by phone 09922496667 or e-mail: nitinrvaidya@gmail.com.

If you would like to have a copy of the results of this research, simply insert your business card with the questionnaire.

Kind Regards,

Nitin Vaidya

PhD Student, Tilak Maharashtra Vidyapeeth, Pune.

Appendix B - Demographic Questions

Organizations Profile

1. Year of Establishment is before 2008:   Yes   /   No

2. Name of Organization:

3. Designation of Respondent: Owner /   Manager(Supervisor)

4. Do you have any quality certification: Yes   /   No

5. Industry Sector:

6. Number of Employees:

Respondents Profile

1. Name of Respondent:

2. Gender: Male   /   Female

3. Age:

4. Qualification/Education: Undergraduate/ Graduate /   Post Graduate

5. Experience in Years:

Appendix C - Permission to Use Multifactor Leadership Questionnaire

mind garden

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To whom it may concern,

This letter is to grant permission for the above named person to use the following copyright material;

Instrument: *Multifactor Leadership Questionnaire*

Authors: *Bruce Avolio and Bernard Bass*

Copyright: *1995 by Bruce Avolio and Bernard Bass*

for his/her thesis research.

Five sample items from this instrument may be reproduced for inclusion in a proposal, thesis, or dissertation.

The entire instrument may not be included or reproduced at any time in any other published material.

Sincerely,

Robert Most
Mind Garden, Inc.
www.mindgarden.com

Appendix D - Multifactor Leadership Questionnaire

We would like to ask you to be realistic and objective in answering your leadership behavior questions. Answer every question, considering your own leadership behavior which you exhibit on day to day basis. Please provide the answers to all questions even if you feel they are being repeated. This is the only way we can ensure statistical validity of the questionnaire. All the data collected will be represented on an aggregate level only.

0= Not at all	1= Once in a while	2=Sometimes	3= Fairly often	4=Frequently, if not always

SR. NO.	SURVEY QUESTIONS	RATING				
1	I provide others with assistance in exchange for their efforts	0	1	2	3	4
2	I re-examine critical assumptions to question whether they are appropriate	0	1	2	3	4
3	I fail to interfere until problems become serious	0	1	2	3	4
4	I focus attention on irregularities, mistakes, exceptions and deviations from standards	0	1	2	3	4
5	I avoid getting involved when important issues arise	0	1	2	3	4

Appendix E - Entrepreneurial Orientation Questionnaire

We would like to ask you to be realistic and objective in answering your entrepreneurial orientation questions. Answer every question, considering your own orientation towards the business environment. Please provide the answers to all questions even if you feel they are being repeated. This is the only way we can ensure statistical validity of the questionnaire. All the data collected will be represented on an aggregate level only.

1= Completely Disagreed	2= Somewhat Disagreed	3= Neutral	4= Somewhat Agreed	5= Completely Agreed

SR. NO.	SURVEY QUESTIONS	RATING				
A-1	Employees in my organization do not rely on others at all and do not need any supervision in their job	1	2	3	4	5
2	Employees in my organization have complete freedom to use innovative methods to do their job	1	2	3	4	5
3	Employees in my organization are free to take their decisions independently. They need not get approval from authorities	1	2	3	4	5
4	Employees in my organization are extremely inspired to manage their own work and are very flexible in their approach to solving problems	1	2	3	4	5
IN-5	The organization is very innovative. It maintains the existing products but frequently introduces new products	1	2	3	4	5
6	The organization is very heavily invested in innovating products and processes	1	2	3	4	5
7	The number of products offered by the organization has steadily increased over the past 5 years	1	2	3	4	5
8	The organization is very heavily invested in looking for new opportunities	1	2	3	4	5
9	The Organization's processes and products have changed significantly (for the better) over the last 5 years??)	1	2	3	4	5
10	The organization finds investing in new ideas and implementing them very effective	1	2	3	4	5

11	The organization feels its products and processes require continuous improvements	1	2	3	4	5
12	Currently I feel extremely empowered to innovate in the organization	1	2	3	4	5
RT-13	The organization tries to exploit opportunities in cases of ambivalent decisions	1	2	3	4	5
14	Employees are free to take calculated risks when implementing new ideas	1	2	3	4	5
15	The organization is always willing to take on high-risk projects	1	2	3	4	5
16	The Organization strongly believes that bold acts are necessary to achieve objectives	1	2	3	4	5
PA-17	In this competitive market mostly my organization is the first to introduce new products and services	1	2	3	4	5
18	The organization typically initiates actions to which our competitors respond to	1	2	3	4	5
19	The organization conducts market surveys to find out future needs of customer	1	2	3	4	5
CA-20	My organization takes an aggressive approach in dealing with competitors	1	2	3	4	5
21	My organization is highly competitive	1	2	3	4	5
22	My organization adopts a confrontation strategy to combat industry trends that may threaten our survival or growth or position in industry	1	2	3	4	5
23	My Organization understands that over aggression may spoil our reputation	1	2	3	4	5

Appendix F - Organizational Performance (2008-2013) Questionnaire

We would like to ask you to be realistic and objective in answering your organizational performance questions for the period of 2008-2013 year. Answer every question, considering the performance aspect of your organization for five years mentioned from 2008-13. Please provide the answers to all questions even if you feel they are being repeated. This is the only way we can ensure statistical validity of the questionnaire. All the data collected will be represented on an aggregate level only.

1= Completely Disagreed	2= Somewhat Disagreed	3= Neutral	4= Somewhat Agreed	5= Completely Agreed

SR. NO.	SURVEY QUESTIONS	RATING				
SP-1	You are satisfied with the product quality given by the supplier	1	2	3	4	5
2	You are satisfied with the delivery performance of supplier	1	2	3	4	5
3	Your rapport with your suppliers has improved	1	2	3	4	5
4	You have long term relationship with your suppliers and the frequency at which you change them is very low	1	2	3	4	5
PRP-5	You are satisfied with your work in process inventory (product which is not a raw material but also it has yet to become a finished product)	1	2	3	4	5
6	You are satisfied with your order-fulfilment lead time (time between placement and receipt of an order)	1	2	3	4	5
7	You are satisfied with your product quality	1	2	3	4	5
CRP-8	Customer complaints received over the last five years have decreased drastically	1	2	3	4	5
9	The ability of the organization to retain existing and attract new clients has increased in last five years	1	2	3	4	5
10	The reputation of the organization, according to your clients has drastically increased in last five years	1	2	3	4	5
11	The product return rate has been drastically decreased over the last five years	1	2	3	4	5

PPP-12	Attrition rate in your organization has been decreased in last five years	1	2	3	4	5
13	Productivity of your employees in your organization has improved in last five years	1	2	3	4	5
14	Level of commitment of your employees towards the organization has improved in last five years	1	2	3	4	5
15	Employees willingness to go extra mile to put in additional efforts for the organization has improved in last five years	1	2	3	4	5
16	Level of unhappiness and frustration of your employees towards the organization has reduced in last five years (employees are happy with the organization	1	2	3	4	5
17	Absenteeism in your organization has reduced in last five years	1	2	3	4	5
18	Ability to learn and adaptability of employees compared to your competitors is very high	1	2	3	4	5

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