

CORPORATE ENTREPRENEURSHIP MEDIATING BETWEEN COMPONENTS OF TRANSFORMATIONAL LEADERSHIP AND FIRM PERFORMANCE

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ABSTRACT

Purpose: *The main aim of this study is to examine the influence of corporate entrepreneurship on the relationship between components of transformational leadership and firm performance.*

Theoretical framework: *According to the proposed framework, there is an interrelation between components of transformational leadership, corporate entrepreneurship, and firm performance. The framework suggests that corporate entrepreneurship plays a mediating role between transformational leadership components, namely idealized influence, intellectual stimulation, inspirational motivation, individual consideration, and firm performance.*

Design/methodology/approach: *The study data was gathered using a quantitative research approach based on a questionnaire survey. Managers from three major Iraqi telecom providers responded with a total of 313 relevant replies.*

Findings: *The results showed that all four components of transformational leadership - intellectual stimulation, inspirational motivation, idealized influence, and individualized consideration – showed significant positive relation with corporate entrepreneurship and firm performance. Furthermore, the link between components of transformational leadership and firm performance was found to be mediated by corporate entrepreneurship.*

Research, Practical & Social implications: *The study recommends organizations to prioritize developing leaders with transformational leadership traits and shift towards entrepreneurial practices for better firm performance. Corporate entrepreneurship partially mediates the relation between all components of transformational leadership and firm performance, while completely mediating the relationship between individualized consideration and firm performance, emphasizing the need for fostering a corporate entrepreneurial culture.*

Originality/value: *The current study contributes to the literature by examining the mediating role of corporate entrepreneurship between components of transformational leadership and firm performance in Iraqi telecom companies. Unlike previous research, it considers the various components of transformational leadership.*

Keywords: Components of Transformational Leadership, Corporate Entrepreneurship, Firm Performance.

INTRODUCTION

To preserve a competitive edge in a complex economic world, organizations must investigate alternative methods of functioning. Leaders must be mindful of cultural variations that may affect business operations to be more effective, efficient, and inventive in the twenty-first century (Wojtara-Perry, 2016). Transformational Leadership (TL) theory has undergone several changes over the last thirty years, and transformational leaders are now usually thought of as people who inspire and motivate their followers to put the group's goals ahead of their own (Jensen, Potočnik, & Chaudhry, 2020). TL is viewed as a complex term that includes idealized influence (II), Inspirational Motivation (IM), Intellectual Stimulation (IS), and Individualized Consideration (IC), and is a key predictor of Corporate Entrepreneurship (CE). Scholars have pushed the idea that leadership is an important aspect of business management, a crucial growth pattern for CE, and a practical problem (Boukamcha, 2019).

CE has the potential to significantly affect an organization's ability to reach high levels of performance as well as competitive edge. Indeed, a number of scholars have examined the application of CE in work settings to enhance margins, efficiency, and inventiveness, and it has all the components needed for firms to boost performance and efficiency in today's rapidly evolving global marketplace (Yunis, El-Kassar, & Tarhini, 2017). Additionally, CE is becoming more widely seen as a genuine way to reach exceptional levels of Firm Performance (FP) (Roundy & Bayer, 2019). Successful CE is connected to enhanced FP, and companies characterized as nearly entrepreneurial in their strategy-making manner are proactively seeking a new set of prospects for achieving spectacular development (Ziyae & Sadeghi, 2020).

Recent studies on components of TL revealed that it has a significant and positive effect on FP, and the TL style of the CEO can be a source of competitive advantage to improve FP (Prabhu & Srivastava, 2022; Shahzad, Iqbal, Jan, & Zahid, 2022). TL serves as the drivetrain and presenter of a creative culture, as well as the promoter of information targeted at improving FP. TL strives to increase members' commitment towards outcomes and is devoted to the company's objectives and their internalization within the followers (García-Morales, Jiménez-Barrionuevo, & Gutiérrez-Gutiérrez, 2012).

TL is a crucial factor in challenging the status quo and overcoming organizational inertia by redirecting workers' focus from self-interest to the shared objective of organizational change. Although the extent to which top executives can influence their organizations' performance is a contentious issue (Jensen et al., 2020). According to (Chen et al., 2019), TL comprises a set of behaviors exhibited by leaders that inspire their followers to surpass initial expectations, and such behaviors help organizations actively explore new opportunities and knowledge. In today's fast-paced corporate contexts, leadership is a vital factor in improving FP.

Very few studies have investigated the interrelations between TL, CE, and FP. (Leite & Rua, 2022) conducted a survey based study with executives in the Portuguese SMEs' textile and clothing industry and found that entrepreneurial orientation mediated the relationship between TL and FP. (Al-shami et al., 2022) focused on healthcare institutions in the UAE and showed the direct influence of unit-level TL on CE and FP. (Bakar & Mahmood, 2014) found that CE acts as a conduit in enhancing the effect of the relationship between TL and performance. Finally, (Ocak

& Ozturk, 2018) examined manufacturing firms in Turkey to test the relation between CE and TL, and only financial performance.

The current study stands out from the previously mentioned ones in several ways. First, unlike the others, it takes into account the various components that make up components of TL instead of treating it as a single variable (Jensen et al., 2020). Second, this study was carried out in Iraqi telecom companies, offering unique insights into the intersection of TL and organizational performance within this context (Al-shami, Jamal Rafeea, & Al-mamun, 2022; Bakar & Mahmood, 2014; Leite & Rua, 2022; Ocak & Ozturk, 2018).

Therefore, this study has four goals. Firstly, it aims to investigate the impact of the components of TL on CE in Iraqi telecom companies. Secondly, it seeks to examine the impact of components of TL on FP in Iraqi telecom companies. Thirdly, it aims to explore the impact of CE on FP in Iraqi telecom companies. Finally, the study will investigate the influence of CE on the relationship between components of TL and FP.

The initial phase of this research will be devoted to a literature review, hypotheses development, and model development. The methodology, analyses, and outcomes will be the emphasis of the second section. In the third section, the findings will be addressed, followed by implications, limits, and future research.

LITERATURE REVIEW

Components of TL and CE

Earlier researches (Chen, Tang, Jin, Xie, & Li, 2014; Zacher & Rosing, 2015) have demonstrated a connection between transformative leaders and their firms' outcomes, such as innovation and strategy renewals. (Bass, 1999) distinguished between transactional and transformational leadership, with the latter being the more effective approach for a firm's performance. Transformational leaders establish clear expectations for their followers, understand and empathize with their needs, and encourage them to achieve better outcomes. Such actions promote innovative efforts, as only leaders who truly comprehend their followers' perspectives, goals, and backgrounds can work towards effecting change. Thus, TL acts as a catalyst for change, which is crucial in today's rapidly evolving global business environment. A transformational leader recognizes the need for change, creates a compelling vision to manage the change process through the inspiration and commitment of organizational members, and ultimately achieves increased financial performance. TL consists of four components: II, IM, IS, and IC (Ng Hee & Kee Daisy Mui, 2017).

(Boukamcha 's, 2019) research indicates that TL play a crucial role in initiating CE. The findings support previous research on leadership theories validated by (Bass, 1999, Bryman et al., 1996, Burns, 1994), and (Bass & Avolio, 1994). Specifically, when transformational leaders engage their subordinates cognitively, subordinates are more innovative and self-renewing. This finding corresponds with prior studies. (Chen et al., 2014) and other scholars support the notion that TL is related to encouraging innovation and new product development in business.

Although there is some conceptual support for the hypothesis that TL style impacts CE formation, this type of study has received less attention. (Bass, 1998) asserts that transformative leaders inspire their subordinates' confidence and respect while pushing them to redefine

challenges, take measured risks, and enhance the existing situation in an innovative manner. Moreover, transformative leaders at the operational level may increase the competence and passion of their followers by establishing a shared identification and purpose for the unit's spirit of continuous improvement and CE (Chang, 2016; Schweitzer, 2014). For example, prior researches (Schweitzer, 2014; Zacher & Rosing, 2015) showed that transformative leaders may foster an innovative culture that encourages their subordinates to act creatively, take calculated risks, and collaborate in unusual ways (Chang, Chang, & Chen, 2017).

(Huynh, 2021) found that TL components, namely intellectual stimulation, inspiring motivation, and individual consideration, have a positive and substantial effect on CE behavior among staff. (Soomro & Shah's, 2022) latest study reveals that TL components such as intellectual stimulation, idealized influence, inspirational motivation, and individual consideration have a positive and significant effect on CE in Pakistani SMEs.

In accordance with the literature on TL and CE, this research suggests the following hypothesis:

H1. Components of TL and CE are related.

H1a. II has positive relation with CE.

H1b. IM has positive relation with CE.

H1c. IC has positive relation with CE.

H1d. IS has positive relation with CE.

CE and FP

Entrepreneurship strategies are procedures and activities that investigate and capitalize on opportunities by creating innovative use of sources in order to create value-added performance. Such strategies can include, among other things, new business processes reform, new interactions with customers, vendors, and corporate partners, and the renovation of trading platforms. They may alternatively be characterized as a company-wide vision-directed reliance on entrepreneurial activity that purposefully and continuously renews the organization and sets the scope of its activities through the identification and exploitation of entrepreneurial opportunity. These strategies create new prospects for performance improvement and the construction of long-term competitive advantage (Yunis et al., 2017). Furthermore, along with expansion of the global economic system, the concept of CE has emerged as a viable strategy for businesses to maintain their competitiveness in the market. CE has long been seen as a significant potential development strategy for organizations of all sizes. According to studies, businesses are becoming more reliant on CE in order to generate long-term competitive advantages. CE, in particular, can help businesses develop new dedicated resource combinations, maximize the utilization of existing resources, and generate new leads for external growth, which together attribute to development of new products, new market presence, organizational restructuring, as well as other methods to improving FP and general performance. Conducted researches have displayed that CE has a major effective impact on business performance, including empirical analyses of this phenomenon in transition economies (Lin, Li, Zhao, & Armstrong, 2016).

A research conducted by (Gupta & Batra, 2015) showed that CE had an overall beneficial influence on business performance in India's growing economy. CE, when combined with

strategic entrepreneurship, has the potential to increase corporate performance. Entrepreneurship inside a corporation may be a specific resource for identifying venture prospects, which in turn may have an impact on the performance of a firm (Ziyae & Sadeghi, 2020)

Moreover, (Kantur, 2016) points out that there are a variety of FP indicators in the entrepreneurial literature, such as growth, efficiency, size, profit, cashflow, failure / success, share of the market, and leveraging, among others. According to (Wiklund, 1999), performance indicators should contain both financial performance and growth, and they should be assessed with reference to the competitor. However, although financial results are unquestionably essential indications of an organization's performance, other, more intangible outcome factors may also provide insight into key parts of the phenomenon. The impact of TL on FP has been investigated by scholars through mediating factors such as human capital, congruence in top management teams, knowledge management, flexibility, and competitive strategies (Akdere & Egan, 2020).

Therefore, in accordance with the principles of CE) and FP literature discussed above, this study suggests the very next hypothesis:

H2. There is a statistically significant relation between CE on FP.

Components of TL and FP

As per prior studies on components of TL, transformational leaders might inspire their followers to transfer their expertise (Bass, 1985). Such studies also suggest that transformational leaders are essential in encouraging the exchange of ideas and information among subordinates. This is due to the fact that workers like receiving encouragement and challenges from their managers (Huang, Li, Qiu, Yim Frederick, & Wan, 2016). TL style enables staff to be innovative, to solve issues, and to produce solutions for their organizations. Likewise, transformational leaders have the ability to adapt and react to fresh information and ideas, as well as introduce fresh methods to tasks to be handled. Transformational leaders may also provide their subordinates with innovative ideas and techniques to help them accomplish their desired objective. Early research on TL views has shown that leaders who have mastered the art of prediction are good at predicting the extent to which knowledge is shared. There has also been evidence from a number of meta-analyses indicating transformational leaders have a favorable impact on performance and outcomes, for example Transformational leaders have a beneficial relationship with organizational performance (Chang, Chao, Chang, & Chi, 2018).

One of the most recent research conducted by (Ngoc Khuong et al., 2022) highlighted three significant essential elements related to the interaction between leadership and FP. Leadership and FP have largely been studied statistically in numerous nations and businesses, and numerous leadership approaches have been discovered to improve FP, TL remaining the most widely used strategy. Given the involvement of CE champions, innovators, and senior managers in achieving the potential of CE, the study results by (Simsek & Heavey, 2011) were significant because they give more insight into how CE could improve performance. To begin, CE seems to result in a significant rise in the firm's intellectual capital. This discovery may give extra power for managers, especially those at the lower and middle management levels, who may need assistance in initiating and seeking entrepreneurial activities. Second, the beneficial impacts

of CE on capital based on knowledge can be amplified to the degree that companies establish organizational arrangements, support structures, and procedures for collecting learning advantage.

As a result of the findings of components of TL and FP outlined before, and as shown in the literature, this research proposes the following hypothesis:

H3. Components of TL related to FP.

H3a. II is positively related to FP.

H3b. IM is positively related to FP.

H3c. IC is positively related to FP.

H3d. IS is positively related to FP.

CE as a Mediator Between Components of TL and FP

There have been numerous studies on the relationship between TL, CE, and FP. However, there are only four studies that have studied all three variables, and they are in different countries and sectors. Despite this, each study has contributed valuable insights into the role of TL in enhancing FP through CE. The study conducted by (Leite & Rua, 2022) focused on the mediating role of entrepreneurial orientation on the relationship between TL and FP in Portuguese SMEs in the textile and clothing industry. (Al-shami et al., 2022) examined the direct influence of unit-level TL on CE and organizational performance in the healthcare sector in the UAE. Meanwhile, (Bakar & Mahmood, 2014) focused on the mediated relationship between TL, CE, and performance in higher education institutions in Malaysia. Lastly, (Ocak & Ozturk, 2018) found that CE did not mediate the relationship between TL and financial performance in manufacturing industry firms in Turkey. Although there have been studies that have tested the mediating role of CE with many variables, there are limited studies that specifically examine the relationship between TL and FP, considering CE as the mediator.

This study is unique in that it tests the components of TL in the same context, which has never been done before. Furthermore, this study is the first of its kind in Iraq's telecom sector, making it a significant contribution to the literature on components of TL and FP in this specific context. By testing the relationship between components of TL, CE, and FP, this study has the potential to provide valuable insights for telecom executives in Iraq and beyond.

Therefore, the current study developed various hypotheses in this regard:

H4. CE mediates the relation between components of TL and FP.

H4a. CE mediates the relation between Idealized Influence and FP.

H4b. CE mediates the relation between Inspirational Motivation and FP.

H4c. CE mediates the relation between Individualized Consideration and FP.

H4d. CE mediates the relation between Intellectual Stimulation and FP.

DATA AND METHODOLOGY

Study Sample

The data was collected from managers of three major Iraqi telecom companies through questionnaire. Initially, questionnaires were created based on existing studies. These surveys

were distributed to 322 randomly selected managers, of which 313 responded with a follow-up, for a rate of effective response of 97.2%. This rate of response was reached with the full involvement and help of all of these firms' HR departments. In the covering letter, it was underlined that there were no correct or incorrect answers, and that all answers would be kept totally secret; as a result, the social-desirability tendency associated in this approach was reduced.

Measures

The study conducted primary data through designing a questionnaire relying on below sources:

The Multifactor Leadership Questionnaire (MLQ) created by (Bass & Avolio, 1993) was employed to measure TL in this study. Twenty (20) items from a shortened version of the questionnaire were used to assess four elements of TL: (IC, IM, II, and IS). The participants were asked to rank their styles of leadership on a five-point scale ranging from 5 (Strongly Agree) to 1 (Strongly Disagree)(Chang et al., 2017)

For this study, the Entrepreneurial Orientation (EO) scale of (Zarei, Amanati, & Amanati, 2017) was used to assess Corporate Entrepreneurship CE. The study operationalized CE as a collection of five components (innovativeness, risk-taking, competitive aggressiveness, proactiveness, and autonomy). The questionnaire has nineteen (19) questions, all respondents had asked to score their entrepreneurial activity on a 5 point scale that ranges from 5 (Strongly Agree) to 1 (Strongly Disagree)

A twelve (12) item survey taken from (Jyoti & Rani, 2017) was used to measure FP. The metrics were divided into three categories: financial performance, employee performance, and operational performance, given answers on a five-point scale ranging from 5 (Strongly Agree) to 1 (Strongly Disagree).

RESULTS AND DISCUSSION

Subject Profile

The total number of respondents is 313. As depicted in Table 1 for age distribution, the majority of the respondents 143(45.7%) were aged between 31 and 40 years, while 86 (27.5%) were aged between 41 and 50 years. Also 59(18.8%) respondents ages were 30 years and lower. The rest were older than 50 years. Regarding gender distribution, the following table shows the majority of the respondents 245 (78.3) were male and 68(21.7%) were females, which shows that most of the supervisory positions are dominated by men.

In terms of education level, the respondents are well-educated. Specifically, 234 (74.8%) respondents had four-year college degrees, while 52 (16.6%) had master's degrees. Table 1 also shows that 3 (1%) of respondents had PhD degree. High diploma is the degree that 10 (3.2%) respondents had and the 7(2.2%) goes to each High school and diploma as a degree that respondents achieved. As for years of experience in their current position majority of respondents 160 (51.1%) were between 6 to 10 years, after that came 5 years and lower 117(37.4%). Only 3 (1%) were between 16 to 20 years, the rest were between 11 to 15 years.

One of the distributions were years of experience in the company and the following table shows that 123(39.3%) respondents were between 6 to 10 years, after that came 5 years and lower 117(37.4%). Only 18(5.8%) had been in the company between 16 to 20 years, the rest were between 11 to 15 years.

Total years of experience distribution were shown also, following table shows that 130(41.5%) respondents had total years of experience between 11 to 20 years. Also table 1 shows that 125(39.9%) respondents had 10 years and lower of total years of experience. Only 2 (0.6%) were 41 years and above, the rest were between 31 to 40 years.

Variables	Frequency	%
<u>Age</u>		
from 30 and younger	59	18.8
from 31 to 40	143	45.7
from 41 to 50	86	27.5
from 51 and above	25	8.0
<u>Gender</u>		
Male	245	78.3
Female	68	21.7
<u>Education Level</u>		
PhD	3	1.0
Master	52	16.6
High Diploma	10	3.2
Bachelor	234	74.8
Diploma	7	2.2
High School	7	2.2
<u>Position Years of Experience</u>		
5 Years and lower	110	35.1
From 6 – 10 Years	160	51.1
From 11 – 15 Years	40	12.8
From 16 – 20 Years	3	1.0
<u>Years of Experience in Company</u>		
5 Years and lower	117	37.4
From 6 – 10 Years	123	39.3
From 11 – 15 Years	55	17.6
From 16 – 20 Years	18	5.8
<u>Total Years of Experience</u>		
10 Years and lower	125	39.9
From 11 – 20 Years	130	41.5

From 21 – 30 Years	46	14.7
From 31 – 40 Years	10	3.2
41 Years and above	2	0.6
<i>Source: Prepared by the author (2023)</i>		

Validity and Reliability

Prior to analyzing and summarizing the relationship between CTL, CE, and FP, the metrics were researched and evaluated for their reliability and validity. To assess their dependability, the Cronbach alpha coefficient was utilized, and the test results ranged from 0.795 to 0.902, surpassing the recommended minimum threshold of 0.77 (Shrestha, 2021). This indicates that all of the measurements are highly reliable, as indicated in Table 2.

Construct	No. of item	Alpha score
Idealized Influence (II)	5	.795
Inspirational Motivation (IM)	5	.818
Intellectual Stimulation (IS)	5	.836
Individualized Consideration (IC)	5	.851
Corporate Entrepreneurship CE	19	.902
Firm Performance FP	12	.879
<i>Source: Prepared by the author (2023)</i>		

To validate the variables of this study through factor analysis, two assessments were conducted to evaluate the suitability of the data before the study began. These assessments were the Kaiser-Meyer-Olkin (KMO) sample adequacy measurement and the Bartlett's Sphericity Test. A KMO value of greater than 0.50 and a significant Bartlett's Sphericity Test were required for the analysis to proceed. Principle component analysis and Varimax rotation were used for the factor analyses, and any items with factor loadings less than 0.40 were recommended for removal (Shrestha, 2021). After performing the tests on all three variables items, the results are shown in the tables (Table 3, Table 4, Table 5, Table 6, Table 7, and Table 8). It is important to note that all items were above the minimum threshold, so no items have been removed as a result.

No	Items	Factor Loading
1	II1	0.828
2	II2	0.811
3	II3	0.777
4	II4	0.758
5	II5	0.715

KMO	0.806
Bartlett's Test of Sphericity: Sig < .001	0.000
Eigen value	3.033
Percentage of variance explained	60.662
Reliability	0.795
<i>Source: Prepared by the author (2023)</i>	

Table 4		
EXPLORATORY FACTOR ANALYSIS FOR COMPONENTS OF TL (IM)		
No	Items	Factor Loading
1	IM1	0.855
2	IM2	0.801
3	IM3	0.728
4	IM4	0.660
5	IM5	0.642
KMO		0.779
Bartlett's Test of Sphericity: Sig < .001		0.000
Eigen value		2.751
Percentage of variance explained		55.022
Reliability		0.818
<i>Source: Prepared by the author (2023)</i>		

Table 5		
EXPLORATORY FACTOR ANALYSIS (EFA) FOR COMPONENTS OF TL (IS)		
No	Items	Factor Loading
1	CTL/IS1	0.823
2	CTL/IS2	0.821
3	CTL/IS3	0.797
4	CTL/IS4	0.782
5	CTL/IS5	0.569
KMO		0.782
Bartlett's Test of Sphericity: Sig < .001		0.000
Eigen value		2.921
Percentage of variance explained		58.424
Reliability		0.836
<i>Source: Prepared by the author (2023)</i>		

Table 6		
EXPLORATORY FACTOR ANALYSIS (EFA) FOR COMPONENTS OF TL (IC)		
No	Items	Factor Loading
1	IC 1	0.771
2	IC 2	0.831
3	IC 3	0.819
4	IC 4	0.841
5	IC 5	0.699

KMO	0.806
Bartlett's Test of Sphericity: Sig < .001	0.000
Eigen value	3.150
Percentage of variance explained	62.997
Reliability	0.851
<i>Source: Prepared by the author (2023)</i>	

Table 7		
EXPLORATORY FACTOR ANALYSIS (EFA) FOR CE		
No	Items	Factor Loading
1	CE1	0.838
2	CE2	0.837
3	CE3	0.836
4	CE4	0.804
5	CE5	0.798
6	CE6	0.776
7	CE7	0.771
8	CE8	0.769
9	CE9	0.768
10	CE10	0.76
11	CE11	0.76
12	CE12	0.757
13	CE13	0.743
14	CE14	0.711
15	CE15	0.685
16	CE16	0.681
17	CE17	0.678
18	CE18	0.661
19	CE19	0.632
KMO	0.859	
Bartlett's Test of Sphericity: Sig < .001	0.000	
Eigen value	13.333	
Percentage of variance explained	70.169	
Reliability	0.902	
<i>Source: Prepared by the author (2023)</i>		

Table 8		
EXPLORATORY FACTOR ANALYSIS (EFA) FOR FP		
No	Items	Factor Loading
1	FP1	0.889
2	FP2	0.868
3	FP3	0.786
4	FP4	0.764
5	FP5	0.757
6	FP6	0.757
7	FP7	0.736
8	FP8	0.722
9	FP9	0.712
10	FP10	0.645
11	FP11	0.632

12	FP12	0.582
KMO		0.815
Bartlett's Test of Sphericity: Sig < .001		0.000
Eigen value		7.147
Percentage of variance explained		59.560
Reliability		0.902
<i>Source: Prepared by the author (2023)</i>		

Hypotheses Testing

A linear regression analysis was performed to investigate the relationship between components of TL and CE in H1. The results, presented in Table 9, indicate that all components of TLs have a significant positive association with CE. Specifically, II, IM, IS, and IC were found to strongly predict CE, and thus, H1a, H1b, H1c, and H1d are all accepted. The accepted threshold for statistical significance was $p < 0.05$. These findings are consistent with prior research linking TL to CE such as (Boukamcha, 2019; Chang et al., 2017; Chen et al., 2014).

However, in contrast to previous studies that examined TL as an overall variable, this study analyzed the individual components of TL. This approach provides a more nuanced understanding of the relationship between TL and CE. These findings imply that leaders who embody these four components of TL are more likely to encourage and foster entrepreneurial activities within their organizations. Thus, organizations looking to enhance their CE should focus on developing leaders who possess these key traits. Additionally, these findings align with previous research highlighting the positive relationship between transformational leadership and CE.

Variables	R Square	B	F	Std. Error	t	P value
II > CE	.485	.571	293.015	.033	17.118	0.00
IM > CE	.595	.575	457.355	.027	21.386	0.00
IS > CE	.687	.648	683.148	.025	26.137	0.00
IC > CE	.542	.560	368.322	.029	19.192	0.00
<i>Source: Prepared by the author (2023)</i>						

A simple linear regression was used to test the second hypothesis (H2), which aimed to examine CE's predictive power on FP. Table 10 shows that the relationship was statistically significant, with CE being a strong predictor of FP. Thus, H2 is accepted. The finding suggests that CE is an important factor in predicting FP, and managers should focus on enhancing their entrepreneurial activities to achieve better FP. It is noteworthy that CE's impact on FP is higher than the accepted threshold, indicating its significant role in driving FP. This result supports earlier studies that have highlighted the positive and significant impact of CE on FP, (Bakar & Mahmood, 2014; Ndemezo & Kayitana, 2018; Umrani, Kura, & Ahmed, 2018; Yunis et al., 2017; Ziyae & Sadeghi, 2020). The implication of this finding is that organizations should prioritize developing a culture of entrepreneurship to achieve better FP. Managers can focus on promoting entrepreneurial activities such as proactiveness, risk-taking, and innovation to

enhance CE. By doing so, they can positively influence FP and drive the organization towards success. This finding highlights the need for organizations to shift their focus from traditional business practices to more entrepreneurial ones to achieve better FP.

Variables	R Square	B	F	Std. Error	t	P value
FP (constant)						
CE	0.712	0.938	770.664	0.844	27.761	0.00

Source: Prepared by the author (2023)

The analysis conducted using basic linear regression revealed that H3 and its all hypotheses related to the association between components of TL and FP were supported as shown in Table 11, with each component showing a significant positive relation with FP. The accepted threshold was met for each component, including II, IM, IS, and IC. These results align with previous research that has demonstrated a strong relationship between TL and FP (Chang et al., 2018; Masa'deh, Obeidat Bader, & Tarhini, 2016; Overstreet, 2012). The implication of these findings is that organizations should prioritize the development of components of TL to achieve improved overall performance and strategic goals. It is crucial to consider components of TL when making decisions related to leadership appointments, succession planning, and talent development initiatives.

Variables	R Square	B	F	Std. Error	t	P value
II > FP	.502	.646	314.000	.036	17.720	0.00
IM > FP	.587	.634	441.149	.030	21.004	0.00
IS > FP	.558	.649	392.423	.025	19.810	0.00
IC > FP	.346	.497	164.563	.029	12.828	0.00

Source: Prepared by the author (2023)

The study used a statistical tool called Hayes' PROCESS macro (Model 4) in IBM SPSS version 25.0 to examine the mediating effect of CE between components of TL (II, IM, IS, AC) and FP. This tool analyzes both the direct and indirect effects of the independent variable components of TL on the dependent variable FP through the mediator variable CE. The threshold of statistical significance was set at 0.05. The analysis used a simple mediation model, where X influences M and Y, and M attempts to influence Y. This type of model is commonly used in studies with one causal antecedent variable (X) affecting the outcome (Y) through a single mediator (M) (Hayes, 2022).

The study investigated the mediating role of CE in the relationship between II and FP. The results supported hypothesis H4a, with a significant indirect effect of II on FP found ($b = 0.4317$, $t = 17.7200$). The direct effect of II on FP was also significant ($b = 0.2139$, $p < 0.001$) in the presence of the mediator Figure 1. Therefore, CE partially mediated the relationship between

II and FP. The results highlight the importance of fostering a culture of CE within organizations, as it can enhance the positive effects of TL on FP. The mediation analysis is summarized in Table 12.

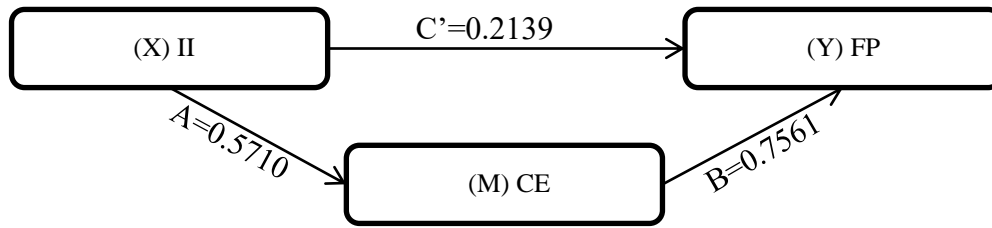


Figure 1
CE MEDIATING BETWEEN II AND FP
 Source: Prepared by the author (2023)

Table 12						
MEDIATION ANALYSIS SUMMARY (II > CE > FP)						
Total effect of X on Y						
	Effect	se	t	p	LLCI	ULCI
	.6456	.0364	17.7200	.0000	.5739	.7173
Direct effect of X on Y						
	Effect	se	t	p	LLCI	ULCI
	.2139	.0367	5.8274	.0000	.1416	.2861
Indirect effect(s) of X on Y:						
	Effect	BootSE	BootLLCI	BootULCI		
CEN	.4317	.0419	.3523	.5168		
Source: Prepared by the author (2023)						

The study investigated the mediating role of CE in the relationship between IM and FP. The results supported H4b and showed that IM had a significant indirect effect on FP through CE (b= 0.3996, t = 6.2807). Additionally, the direct effect of IM on FP was significant (b = 0.2344, p 0.001) in the presence of the mediator. Hence, CE partially mediated the relationship between IM and FP Figure 2. These findings suggest that the use of IM in the context of CE can positively impact FP in Iraqi telecom companies. Table 13 presents the results of the mediation analysis.

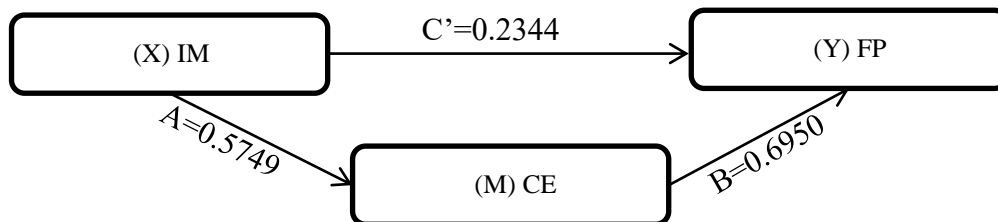


Figure 2
MEDIATION ROLE OF CE ON RELATIONSHIP BETWEEN IM AND FP

Table 13						
MEDIATION ANALYSIS SUMMARY (IM > CE > FP)						
Total effect of X on Y						
	Effect	se	t	p	LLCI	ULCI
	.6340	.0302	21.0036	.0000	.5746	.6934
Direct effect of X on Y						
	Effect	se	t	p	LLCI	ULCI
	.2344	.0373	6.2807	.0000	.1610	.3079
Indirect effect(s) of X on Y:						
	Effect	BootSE	BootLLCI	BootULCI		
EN	.3996	.0514	.2997	.5020		
<i>Source: Prepared by the author (2023)</i>						

The role of CE in mediating the connection between IC and FP was investigated in this study Figure 3. The findings indicated that although there was no significant indirect effect of IC on FP when mediated by CE, the direct effect of (IC) on FP was significant ($b = -0.0614$, $p > 0.001$) in the presence of the mediator. As a result, CE completely mediated the association between IC and FP, with a coefficient value of 0.5585 and a t-value of -1.6219, supporting H4d.

This suggests that the leader's consideration of individuals within the organization may not directly affect FP. Instead, it is the extent to which CE is present that plays a crucial role in enhancing the performance of the organization. Therefore, it is essential for organizations to create an environment that fosters the development of CE to improve their overall FP. (Table 14)

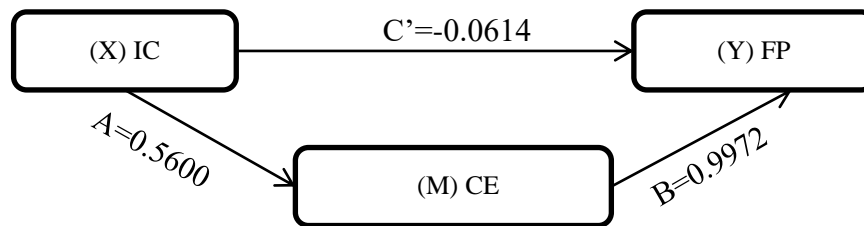


Figure 3
CE MEDIATING BETWEEN IC AND FP

Source: Prepared by the author (2023)

Table 14						
MEDIATION ANALYSIS SUMMARY (IC > CE > FP)						
Total effect of X on Y						
	Effect	se	t	p	LLCI	ULCI
	.4971	.0387	12.8282	.0000	.4208	.5733
Direct effect of X on Y						
	Effect	se	t	p	LLCI	ULCI

	-.0614	.0379	-1.6219	.1058	-.1359	.0131
Indirect effect(s) of X on Y:						
	Effect	BootSE	BootLLCI	BootULCI		
EN	.5585	.0494	.4591	.6527		
<i>Source: Prepared by the author (2023)</i>						

The results presented in Table 15 show that IS has a significant indirect effect on FP through CE (b= 0.5178, t = 2.8060). Moreover, the direct effect of IS on FP (Figure 4) was found to be significant even in the presence of the mediator (b = 0.1311, p 0.001), supporting H4d. This finding supports the notion that businesses need to focus on fostering IS among their employees as it can lead to better FP through CE. By encouraging employees to think creatively and innovatively, businesses can help stimulate their entrepreneurial spirit, which can ultimately lead to better outcomes in terms of profitability, market share, and other measures of FP. Therefore, organizations should consider investing in training and development programs that promote IS and support the development of an entrepreneurial culture.

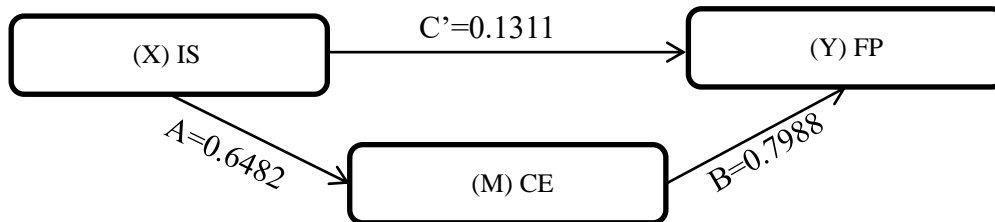


Figure 4
CE MEDIATING BETWEEN IS AND FP
Source: Prepared by the author (2023)

Table 15						
MEDIATION ANALYSIS SUMMARY (IS > CE > FP)						
Total effect of X on Y						
	Effect	se	t	p	LLCI	ULCI
	.6489	.0328	19.8097	.0000	.5844	.7133
Direct effect of X on Y						
	Effect	se	t	p	LLCI	ULCI
	.1311	.0467	2.8060	.0053	.0392	.2230
Indirect effect(s) of X on Y:						
	Effect	BootSE	BootLLCI	BootULCI		
EN	.5178	.0688	.3883	.6571		
<i>Source: Prepared by the author (2023)</i>						

Partial Mediation

DISCUSSION

The present study aimed to investigate the relationship between components of TL and CE. The findings suggest that all four components of TLs, namely II, IM, IS, and IC, are significantly and positively associated with CE. These results are consistent with previous research linking TL to CE, as reported in prior studies (Boukamcha, 2019; Chang et al., 2017; Chen et al., 2014). The study's focus on individual components of TLs provides a more nuanced understanding of the association between TL and CE, emphasizing the importance of developing leaders who embody these key traits to foster CE. Organizations that prioritize components of TL development in their leaders are thus more likely to experience positive outcomes in terms of their CE.

The second objective of this study was to examine the impact of TL components on the FP of leaders in Iraqi telecom companies. The findings indicate that all four components of TL (II, IM, IS, IC), have a significant positive association with FP. These results are consistent with previous research that highlights the significant impact of TL on improving FP (Chang et al., 2018; Febrianti & Jufri, 2022; Masa'deh et al., 2016; Ngoc Khuong et al., 2022; Overstreet, 2012; Puni, Hilton, Mohammed, & Korankye, 2022). Therefore, telecom firms should focus on selecting and developing leaders who possess these components of TL traits to enhance their FP. In recruiting and hiring candidates for administrative positions, leadership qualities should be taken into account. Furthermore, current executives should examine their leadership style, as it has a substantial effect on the firm's performance FP. Given the continuous changes in the environment, telecom firms' capacity to learn quickly and effectively has become critical for their survival and adaptation, much alone their success. Transformational leaders see the company as continually being reinvented in order to execute change as needed for its improvement. They are also motivators, capable of sharing a future vision potential that inspires employees to prioritize the group's needs over their own personal interests (O'Reilly, Caldwell, Chatman, Lapiz, & Self, 2010). Accordingly, components of TLs are the necessary feature of leaders in today's modern telecom company.

The third objective of this study was to examine the impact of CE on the FP of Iraqi telecom companies. The results showed a significant positive correlation between CE and FP, suggesting that higher levels of CE are likely to lead to better FP. This indicates that managers who exhibit traits such as innovation, proactivity, and risk-taking are more likely to have a positive impact on the performance of their firms. Such qualities are crucial for telecom executives to enhance their decision-making and problem-solving abilities, which ultimately lead to exceptional outcomes. These findings are consistent with prior research on the relationship between CE and FP (Bakar & Mahmood, 2014; Ndemezo & Kayitana, 2018; Umrani et al., 2018; Yunis et al., 2017; Ziyae & Sadeghi, 2020). Therefore, organizations should prioritize the development of an CE to achieve better FP. Managers can encourage entrepreneurial activities such as reactivity, risk-taking, and innovation to enhance CE. The study highlights the need for organizations to shift their focus from traditional business practices to more entrepreneurial ones to achieve better FP.

The fourth and final aim of this research was to investigate the role of CE in mediating the relationship between components of TL and FP. This study found that CE partially mediates

the relationship between Idealized Influence (II), Inspirational Motivation (IM), and Intellectual Stimulation (IS) with FP. In addition, it completely mediates the relationship between Individualized Consideration (IC) and FP. These results underscore the importance of fostering a culture of CE within organizations to enhance the positive impact of components of TL on FP.

CONCLUSION

This study, like others, has limitations which must be acknowledged and maybe solved in the future studies. First, since this study was cross-sectional, it could only collect and analyze a snapshot of phenomena and hence could not evaluate how respondents' views changed over the time. This could be solved by carrying out longitudinal research that tracks respondents' impressions over a lengthy period of time. Second, only one research technique approach was used, and future integration research might be conducted using various methodologies. Finally, the model was evaluated in the telecom and service sectors in this study. It will therefore be worthwhile to adapt the research model to firms in other industries, such as agriculture and manufacturing.

The current study adds to the existing literature by showing that CE mediates the relationship between components of TL (II, IM, IS - partially-, IC -fully-) and FP in the context of Iraqi telecom companies. This study's approach differs from previous studies (Al-shami et al., 2022; Bakar & Mahmood, 2014; Leite & Rua, 2022) in several ways, including our focus on components of TL individually instead of TL as an overall variable, and the investigation of Iraqi telecom companies.

In summary, the findings suggest that businesses should prioritize the development of CE within their organizations to unlock the full potential of components of TL in driving FP.

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