



# Impact of the Entrepreneurial leadership on Knowledge Management Effectiveness: The role of Organizational Trust

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## ABSTRACT

**Background:** Many organizations are facing challenges of implementing knowledge management practices into their business model. As knowledge management is paving its way into strategic focus of organizations that's why this study focused towards the role of Entrepreneurial leadership in enhancing effective knowledge management practices in the organization.

**Purpose of the Study:** The purpose of this study was to examine whether any significant role of entrepreneurial leadership towards the achievement of knowledge management effectiveness while exploring the moderating role of organizational trust in the perspective of fabric manufacturing industries of selected cities (Lahore, Rawalpindi and Islamabad) of Pakistan and it's theoretical framework is supported by the social learning theory.

**Methodology/Approaches:** Data were collected from 100 entrepreneurial leaders and 260 samples were their employee's through convenient sampling technique. Measuring scale was adopted and responses got on 5-point Likert Scale. Confirmatory Factor Analysis, Regression Analysis and SEM to estimate the structural model fit data adopting Hair and Anderson's model.

**Finding:** The present study finds out that the entrepreneurial leadership have a significant role to enhance the knowledge management initiative in the organization and also find out that organizational trust have great impact as a moderator between the entrepreneurial leadership and successful implementation of knowledge management practices in the organization.

**Value/Implications:** This paper provided a new insights for research scholars, practitioners and also Govt. policy making department that how entrepreneurial leaders play a critical role in the advancement of the country. Limitations of this study and future research direction also discussed in the end.

**Keywords/Key Strings:** Entrepreneurial Leadership, Organizational Trust, Knowledge Management, Knowledge Management Effectiveness.

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## 1.1 RESEARCH BACKGROUND

Today business have different challenges in the process of successful application of knowledge management initiatives in the organization. By keeping in view of that subject, knowledge management play a critical and paving role with the strategic focus of the organization into the operations and leaders are investigating different process of initiating knowledge management effectively in the organizations. On the other hand, effective knowledge management cannot be built by itself. The concept of knowledge management is originated from well-organized journal of management and effective solution of attaining competitive advantages in the marketplace (Shahzad, K., Bajwa, S.U., Siddiqi., *et al.*, 2016). Organization need to develop a strategic assurance and organizational capital and employee capability towards the achievement of organizational goals. Leaders must be responsible and accountable that the goals are achieved or not. Question is that what sort of manager's behaviors and style of leadership must be needed to attain this difficult goal by implementing successful knowledge management process in the organization effectively? The style of leadership depicts the individual's behavior of a leader while handling employee as well as the organization effectively towards achieving sustainable organization's goal. Leaders can be nurtured by the organizations to gain long term success. The success of organizations depends upon their style of leadership. The universal problem with this attempt is that there are number of leadership styles and theories (Bass & Bass, 2009; Bass & Avolio, 2003). These styles and theories make it impossible for the professionals to agree upon which leadership style or theory can best help the organizations to develop great leader (Lin & Chuang, 2014). Hughes, Lee, Tian, Newman, & Legood, (2018) explained that every leaders set a figurehead role for the subordinates, in the process of implementing knowledge management effectively in the organization leadership play a critical role practically and significantly.

This section briefly explains the general overview about leadership, Entrepreneurial leadership definition, organizational trust and definitions of Knowledge Management. It also explains the effect of leadership styles on knowledge management effectiveness and the role of organization trust as a mediator. The central part of management and organizational behavior literature mainly focuses on entrepreneurial leadership. Throughout the world almost in every professional community, leadership and mostly now a days an entrepreneurial leadership is the topic of interest.

Organization need to adopt innovation activities in their work practices to make the processes smoothly towards the effective success and prolong existence in the marketplace to gain competitive advantages. These organizational innovation lead to the successful growth of latest areas of knowledge management effectiveness as a key tool towards achieving sustainable competitive advantage and survival in the market. By keeping in view, leaders have critical role for the achievement of the organization's objectives. That's why, entrepreneurial leadership selected to investigate its role on enhancing knowledge management effectiveness in the organization and also explore the moderating role of the organizational trust between the entrepreneurial leadership and knowledge management effectiveness.

## 1.2 Problem Statement

In this recent competitive environment, management need to practices entrepreneurial leadership style during the successful implementation of effective knowledge management effectively within the organization. Identification of entrepreneurial leadership that use to endorse idea and knowledge managements' practices that play a significant role in the organizational growth as well as the attainment of the competitive advantages of the organizations in this era of knowledge economy that compete globally.

### 1.3 Research gap with Research Questions

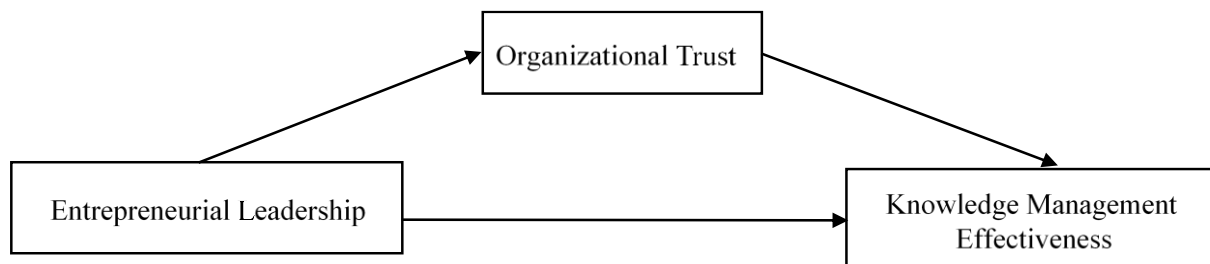
Organizational trust plays a critical role while implementing effective knowledge management initiatives in the organization (Zuo, Y. & Panda, B, 2013; Berraies *et al.*, 2015). According to the Holste & Fields (2010), if organizational trust did not develop within the employee, it cannot be shared, manage and implement knowledge management successfully within an organization. Organizational trust is used for generating commitment and loyalty among the employee of the organization for implementing effective knowledge management activities within the organization for attaining a sustainable competitive advantage (Kuo, T. 2013). Therefore, the research study tends to explore the following research questions:

- a) Does entrepreneurial leadership has significant positive effects on knowledge management effectiveness?
- b) Is organizational trust moderate the influence of entrepreneurial leadership on knowledge management effectiveness?

### 1.4 Purpose of the Study

Main ideas that purposes for this study are, a) to examine whether any significant impact of entrepreneurial leadership while attaining effective organizational knowledge management initiatives in the perspective of fabric manufacturing industries of selected cities (Lahore, Rawalpindi and Islamabad) of Pakistan. b) To assess the organization trust as a moderator between the entrepreneurial leadership style and effective knowledge management and its effect on the organizational achievements that is necessary for attaining a sustainable competitive advantage in the marketplace.

### 1.6 Research framework of the study



H1: Entrepreneurial leadership style have a significance role in the development of organizational trust

H2: Impact of organizational trust on the knowledge management effectiveness

H3: Organizational trust will moderate between entrepreneurial leadership and the knowledge management effectiveness.

### 1.7 Theoretical Contribution & Support

Entrepreneurial Leadership proposes that there is behavior of the individual which critically enhance the individual level of creativity that will lead to the performance improvement of the organization (Renko *et al.*, 2015; Strobl *et al.*, 2020). So, entrepreneurial leadership style enhances the employee's creativity and their existence require in the process of successful implementation of knowledge management effectiveness in the organization to gain sustainable competitive advantages in the marketplace.

### 1.8 Social Learning Theory

This theory was firstly introduced and presented by Bandura, A. (1977) which is related to importance of perception, forming and reproducing the attitudes, behaviors and emotional responses of the others. It considers that how well environmental and cognitive reactions interrelate to play a critical role that influence human

learning and behavior in the workplace towards achieving the individual goals as well the organizational effective performance.

According to Bandura, A. (1977) “Most human behavior is learned by observation through demonstrating, from perceiving others, one forms an idea of how new behaviors are exhibited, and on later occasions this real information serves as a guide for action”.

## **1.9 Definitions of Variables**

### **1.9.1 Entrepreneurial Leadership**

The idea of entrepreneurial leadership in the perspective of leadership style to observe as a diverse point of view with respects to a recent phenomenon of conceptualization (Roomi, Harrison, (2011). Many researcher (Renko, Eltarabishy, Carsud, & Brann back, (2015) explore the idea of entrepreneurial leadership link the concept of entrepreneurship and leadership as a leadership style with multidimensional and use in stimulating environment. Entrepreneurial leadership involves the ability of the leaders that have strong power of influencing others and provide guidelines to the individuals as well as the team for the performance improvement and the attainment of organizational objectives with the full of maximum utilization of internal and external opportunities to gain sustainable competitive advantages for the organization in the marketplace (Renko *et al.*, 2015).

### **1.9.2 Knowledge Management Effectiveness**

According to Shelley, A. (2018) “Knowledge Management is the process of creating, sharing, using and managing the knowledge and information of an organization”. It is multi- disciplinary method for attaining objectives of the organization with the full practical application of knowledge. There are large organizations, nonprofit organizations make their efforts to increase their internal and external resources needed to the effective use of knowledge management, strategic business, information technology strategy and human resource department within the organization that lead to the effective knowledge management process in the organization. An effective knowledge management strategy keeps checks on what information happens permits your managers to build on past work. Effective knowledge management strategy mainly emphasis on the objective achievement of the organization like performance improvement’s, innovative ideas, gaining competitive advantages, effective knowledge sharing and lesson learned practically, close interrogation between different departments that utilize for the knowledge management effectiveness within the organization.

### **1.9.3 Organizational Trust**

Organizational Trust is about a new and emerging concept that includes individuals work in an organization as well as the natural of results and the consequences of those outcomes. Organizational trust within the employee to create new associations and creating a close trustworthy relationship to attain business dealings and that lead to that the organization remains viable and progressive in attaining the objectives (Fukuyama, 1995; 55-6). Moreover, trust has been closely related to overall employee satisfaction about job that lead to the effectiveness of the organizations (Shockley-Zalabak., Sherwyn Morreale., & Michael Z. 2010). There is a lot of interest of the scholars and the practitioners about the concept of the organizational trust that related to the development of strong binding towards the organization as a supportive behaviors and capabilities of the organization to work for the change within the organization to develop organizational trust (Kramer & Tyler, 1996).

## 2. LITERATURE REVIEW

### 2.1 Entrepreneurial Leadership and Knowledge Management Effectiveness

Lot of research done on the creation of knowledge within the organization to produce creative and novel products and services that leads the organization to achieve its objectives to gain sustainable competitive advantages in the marketplace (Menguc, Auh, & Shih, 2007). Tanriverdi, (2005) presented that there is need of the customer satisfaction to provide better and innovative products and services that lead to the increase in the sales as well as the firms effectiveness implementation of knowledge management. Although knowledge is an internal state of the individuals and it cannot be easily transferable, that's why organization adopt different set of strategies to leverage individuals knowledge within the organization that will help in the process of successful implementation of knowledge management effectively in the organizations. Management are fully engage in the development of the strategies about the appropriate leadership style which triggering involvement for the implementation of knowledge management process for the performance improvement of the organization. So, it is necessary to adopt an entrepreneurial leadership style in this dynamic and changing environment that many authors have explored that there are many leadership style that enhance the implementation process of the knowledge management effectiveness in the organization (Bryant, 2003).

Many researchers, describes the entrepreneurial leadership as a real identification of opportunities and take an initiative to convert these opportunities into achievement of effective knowledge management activities in the organization (Chen, *et al.*, 2017; Kuratko, 2016); risk oriented beyond their security (Kuratko, 2007) and attaining sustainable innovation and work effectively in uncertain environments (Surie & Ashley, 2008). Whereas in other researcher (Roomi, M.A., Harrison, P, 2011) explained that ability to communicate vision to engage employees to recognize, improve and take advantage of recent opportunities, creating significance value for the organization (Danna Greenberg., Kate McKone-Sweet, H., & James Wilson, 2011). D. Jeffrey Lenn, (2012) stated that entrepreneurial leaders who work for manipulating and guiding the employees' towards achievement of organizational goal attainment by investigating and exploring opportunities (Renko *et al.*, (2015). Widayani *et al.*, (2020) stated that effective implementation of the knowledge management depends upon the critical role of entrepreneurial leadership style. Based on the above discussion, the following hypothesis can be built:

***H1: "Entrepreneurial leadership style significantly influence on the knowledge management effectiveness"***

### 2.2 Entrepreneurial Leadership and Organizational Trust

In previous researches, it is suggested that the Organizational Trust and Entrepreneurial leadership is positively relates to employee behavior in the workplace and attitude towards the achievement of organizational effective goals. Ferrin., Donald Lee; Parker, A; & Dirks, Kurt T, (2012) presented that practical data recommends that job performance is closely related to the employees trust towards the organization, humanity, job fulfilment, procedural and distributive justice, and employee active participation in the decision-making process. And organizational trust in entrepreneurial leadership significantly related to commitment of organization towards the achievement of its objectives. According to (Deanne N., Den Hartog., & Annebel H. B, 2013), by practicing entrepreneurial leadership will lead to ensure the employees to aware of, thoughtful and have clear understanding of their opinions, feeling and real time experiences that they gain from workplace. Organization trust developed and assured by the entrepreneurial leadership that their promise will be kept, remain confidential and secret information will be handled seriously for boosting the employee trust towards the organization to gain the maximum output for maintaining knowledge management effectively in the organization.

The behaviors of entrepreneurial leadership, remain valuable and consistent in the organizational practices which leader can deliver and communicate effectively to their subordinates which is not only for the individual's leader that build an organizational trust but also an organization create a moral values trusted in

the organization (Gillespie, N.A, & Mann, L. 2004). So, there is clear perception that entrepreneurial leadership style be able to stimulate and energize their subordinates and develop trust mutually in between. Keeping in view of the above arguments, following proposition can be developed as:

***H2: “Entrepreneurial Leadership is significantly related to Organizational Trust”***

### **2.3 Organizational Trust and Knowledge Management Effectiveness**

Decisions taken by individuals are regarded as the decisions specific to them and concerning them, total behaviors of people may become the common behavior of the society and one of the important factors affecting human behavior is trust (There are numerous studies conducted about the both concept of trust like interpersonal and organizational trust. To some extent, many authors take organizational trust in a different way in previous studies (Carnevale, Wechsler, (1992); Mcknight, (2000). According to (Davenport & Prusak, (1988), effectiveness of knowledge management depends upon the trust, because in the absence of trust there is almost failure of knowledge management, irrespective of by what means systematically that is fully backed up by the information technology to the survival of the organization also mainly depends on effective knowledge transfer in the organization to gaining sustainable competitive advantages. On the basis of the previous research, trust play a critical role and one of the most important factors while implementation successful knowledge management within the organization. If knowledge worker of the organization are unwilling to develop trust between them, and cannot possible to adopt, sharing and mutual exchanging of knowledge effectively within an organization. Based on above literature discussions, the following hypothesis constructed as:

***H3: Organizational Trust has significant impact on Knowledge Management Effectiveness***

## **3. RESEARCH METHODOLOGY**

This research is quantitative in nature which is conducted to test the proposition on the basis of the prescribed research questions. Cross sectional study was conducted and primary data was collected through the adopted questionnaire for the purpose of further data analysis.

### **3.1 Sample Size and Procedure**

In this study, the data were collected from the private domestic fabric manufacturing firms/industries of Pakistan which are located in Rawalpindi, Islamabad and Lahore as the population of this study. And the data was collected from different entrepreneur’s leaders working effectively and efficiently in these sectors. Responses form Entrepreneurial leadership from different departmental head collected by sending electronic emails or personal communication to describe the main objective of this research and make assured that all responses kept trustworthy and will be only use for research purpose.

Due to the limitation of the lockdown and SOPs imposed by the Govt. of Pakistan in the prevailing situation of second wave of COVID’19 pandemic, questionnaire were send into two phases with the interval of fifteen days to minimize common method biases which is necessary for the validity of the research data for further analysis. At first phase, the employee rated the statements about the entrepreneurial leaders working in the fabric manufacturing industry. Finally, in the second phase entrepreneurial leaders rated their responses related to the moderator and “Knowledge management effectiveness” as a dependent variables. 100 Survey questionnaire distributed to the entrepreneurial leader and 360 employees working under their supervisions.

Each pair of questionnaire sent labelled with the identity code for the entrepreneurial leaders and their subordinates. In the collection phase of the questionnaire by email and couriers, the questionnaire were matched by coding numbers.

The response of the collected questionnaire was very low due to the pandemic condition of the COVID'19 second wave that was prevailing heavily in the country as well as in the whole world. From out of 260 questionnaire that were related to the employee responses about their entrepreneurial leadership, we got only 85 responses back with a response rate of 23.61 % and the response rate from the entrepreneurial leadership was only 37 % which is 37 responses questionnaire received from out of 100 sent via mail and courier by using personal contacts.

And from total 46.9 % of the entrepreneurial leadership responses received from the above age 30 years 92 % had completed their graduation and professional master qualifications, 47 % have a practical working experience of over 10 years. This collected questionnaires used for further analysis of the data.

### **3.2 Sampling Techniques**

In this study, convenient sampling technique be there and applied in getting proper responses from the entrepreneurial leaders and their subordinates that are working in Lahore, Islamabad and Rawalpindi.

### **3.3 Measures Scale and Procedure**

The measures of this study has been adopted from different researchers that were explored, practiced and tested in the past research. The questionnaire consists of different parts like first part represents the respondent's demographics (age, gender, education and experience) were controlled and other part relates to the entrepreneurial leadership and their employees. And all items of the questionnaires scale by using psychometric response "5-point Likert Scale" (Likert, R. (1932), where "1" symbolizes "Strongly Disagree" whereas "5" symbolizes "Strongly Agree".

#### **3.3.1 Entrepreneurial Leadership**

The entrepreneurial leadership was measured on an eight-item scale that was first developed and tested by (Renko *et al.*, (2015). Employee working in the fabric manufacturing industry of Lahore, Rawalpindi and Islamabad were selected for responses the given statements about the insights to the entrepreneurial leadership style. Questionnaire scale of the items used to measure included, "My manager has a creative solutions to the problem" and "My manager takes risks".

#### **3.3.2 Organizational Trust**

Third portion of the questionnaire was about the collection of the responses of the "Organizational Trust" on five-item scale which was developed and previously tested by (Gabarro & Athos, (1978). Sample of the five item scale included, "I believe my employer has high integrity", "and I can expect my employer to treat me in a consistent and predictable fashion". "In general, I believe my employer's motives and intentions are good for achievement of the goals", "I think my employer treats me fairly" and "managers from my organization are open and upfront with me".

#### **3.3.3 Knowledge Management Effectiveness**

And lastly, six-item scale was adopted and used to measure "Effectiveness of Knowledge management" which was previously tested by (Karamitri *et al.*, (2017).

### **3.4 Data Analytical Strategy**

In this study, we used SPSS and AMOS 22 for the analysis of data. To measure the relationship of the prescribed hypothesis of independent variables with the relationship of dependent variable, I adopt the CFA (Confirmatory Factor Analysis) and SEM (Structural Equation Model) for the estimation of model fit (Hair, Black, Babin & Anderson, 2010; Joseph F. Hair Jr., Barry J. Babin & Naina Krey, 2017). To test the moderation

analysis, the bootstrapping analysis method which was presented by (Preacher & Hayes, (2008) was applied in this research by using SPSS 22 version software.

## 4. RESULTS AND DISCUSSIONS

### 4.1 Missing value Analysis

According to (Roderick J.A. Little, 1988) missing data is a persistent issue in sample survey and also a very challenging task in social sciences to handle this phenomenon (Rezaei, Amin & Jayashree, (2016). (Rezaei & Ghodsi, (2014) presented some remedies to tackle this issue, most reliable method is applied by adopting technique of various imputations. This is a simulations method that replace every missing value that can complete > 1 data value credible. This study also consist of EMA (Expectation Maximization Algorithm) created by SPSS 22 to attain the objective of the citation of missing values. The finding of this analysis showed that omitted data value are at random in nature ( $\chi^2 = 232.59$  and  $df = 189$ ,  $p = 121$ ).

### 4.2 Reliability and Validity of data Analysis

According to (Hair *et al.*, (2010) values of Composite reliability test and Cronbach Alpha must be greater than 0.7. For checking the validity of the data that how much the data is reliable for further analysis of the proposed research, composite reliability and Cronbach Alpha test were run in this study. The reliability analysis results presented in the Table.1 below that shows that Cronbach's Alpha and the composite reliability values for dependent variable (Entrepreneurial Leadership), (Organizational Trust) as a moderator and independent variable (Effective Knowledge Management) were > 0.7. Further, the discriminant validity and convergent validity was checked to adopt the AVE (Average Variance Extracted) and AVE's square root.

According to (Fornell & Larcker, (1981), the recommended values of AVE must be > 0.05. the analyses of data presents the enough evidence of the discriminant validity and lastly, VIA (Variance Inflation Factor) tested and got the desired acceptable data analysis of this research.

**Table. 1**

Constructs	Items	Item's Loading	CR	Cronbach's Alpha	AVE	VF
Entrepreneurial Leadership	8	0.75-0.89	0.812	0.895	0.613	1.09
Organizational Trust	5	0.70-0.78	0.842	0.789	0.703	1.23
Knowledge Management's Effectiveness	6	0.78-0.92	0.912	0.820	0.653	1.76

*Note: CR = Composite Reliability, AVE = Average Extracted Variance, VF = Variance Inflation Factor.*

### 4.3 Confirmatory Factor Analysis (CFA)

In this research, Confirmatory factor analysis was tested to measure the proposed set of variables, "Entrepreneurial Leadership", "Organizational Trust" and "Effectiveness of knowledge management". Due to the small sample size of this study, all variables were matched with the measurements scale which eliminate the items succeeding common adopted procedures. CFA is a multivariate statistical tool of Structural Equation Modelling which was carried out by using AMOS version 22 for investigating the variables that remain unobserved. According to the CFA results that was the items combination of top to bottom factor loadings of each variables and all items of the variables were signs assigned to every items of variables. And then item's mean scores with their indicators were calculated. For checking the model goodness of fit, there are various vitals included (RMSEA, Chi-Square/df, NFI, AGFI, TLI, CFI) which is presented in the



**Table. 2**

Model	RMSEA	NFI	AGFI	TLI	CFI	X2/df
Model Default	0.72	.962	0.91	0.92	0.96	2.67

The results of the confirmatory factor analysis were depicted by confirmatory fit index (CFI)=0.96, Tucker-Lewis index (TLI) = 0.92 and root square error of approximation (RMSEA) = 0.72 that shows that our three factor model fits well and scores of all the factor loadings are significant and > 0.6.

#### 4.4 Moderation Analysis

According to the research framework, Hypothesis 3 is about the moderation interface between the entrepreneurial leadership and knowledge management effectiveness in which organizational Trust is much higher than the Entrepreneurial Leadership and Knowledge Management Effectiveness and that increases shows that the results of interaction term by multiplying the independent variable (Entrepreneurial Leadership). Entrepreneurial leadership with the knowledge management effectiveness is a significant predictor of organizational trust, there p-value 0.0 which is less than the estimated value 0.05, beta estimate was found to be 3.214 and the t-value is > -2 & +2 that result shows that the hypothesis 4 was accepted.

**Table. 3 Model Summary**

R	R2	F	df1	df2	P
.05548	.2359	14.21	3.000	296.000	.0000

**Table. 4 Path Confidence**

	B	S.E	T	P	LLCI	ULCI
Constant	150.423	44.55	3.376	.0008	238.09	62.75
Entrepreneurial Leadership	4.324	.6090	3.817	.0002	1.126	3.5230
Organizational Trust	3.598	.8976	4.008	.0001	1.832	5.365
EL * KME	3.469	.0123	3.9864	.0001	.0731	.0948

*Note: EL = Entrepreneurial Leadership, KME = Knowledge Management Effectiveness and OT = Organizational Trust.*

**Table.5 Interaction for Moderation effect: EL\*OT**

	R2	F	df1	df2	P
EL* OT	.0569	15.89	1.000	296.000	.0000

*N = 275 Interaction terms by multiplying EL\*OT, LLCI = Lower Level Confidence Interval, ULCI = Upper Level Confidence Interval*

#### 4.5 Regression between the Dependent, Independent and moderating variables

Independent Variables	Coefficients	t-value	p-value	R Square	F value	Prob. (F statistic)
Entrepreneurial Leadership	0.0736	0.5117	0.000	3.76%	6.199	0.002

The model value is less than 0.05%, so we can say that the model is good fit.

## 5. CONCLUSION OF THE STUDY

The research focused the influence role of the entrepreneurial leadership while implementing knowledge management effectiveness in the organization while organizational trust have a moderating role. Entrepreneurial leadership is an emerging style of leadership that has been evolved from the existing leadership and entrepreneurship literature to overcome the current challenges faced by the organizations. The aim of the current study was to examine the integrated model and the relationships among entrepreneurial leadership, organizational trust, and knowledge management effectiveness in the corporate sector of Pakistan. The research concluded that the organizational trust has significant role for enhancing the process of knowledge management effectiveness. The organizational trust also has moderated the relationship among entrepreneurial leadership and knowledge management effectiveness in the organization. Knowledge management effectiveness and individual capital play a critical and strategic role while adopting new and novel ways, innovative ideas, and creative process for successful provision of products and services solutions within the organization. Entrepreneurial leadership helps an individual to achieve its goals effectively and efficiently worthwhile for the organization as well (knowledge management in health sciences libraries, (2007). Knowledge management is not only use for the purpose of gaining knowledge but its main objective is to be creation of knowledge, relocation and practical application exhibit in the successful achievement of the organizational goal to maintain and sustain competitive advantages in the marketplace. Entrepreneurial leaders clearly define their vision with the focus on the exploration of entrepreneurial opportunities that must be endorsed by their employees, and they demand intensive participation from their employees to accomplish their goals (Gupta *et al*, 2004). If a business is facing turbulence, attributed to new venture development, industry changes, or organizational change, entrepreneurial leadership style could lead to the willingness of the leader to take risks and contribute innovative ideas to lead the organization to a point of stability (Cai, W. *et al.*, 2018).

### 5.1 Limitation and future research directions

The current research study only limited to the specific industry. This research check only the middle level employee responses and have no comparison between the industries or the leaders. Future study can be conducted by adopting more independent variables like inclusive leadership and transformational leadership to check their effects on the knowledge management effectiveness. Besides, the scholar should explore other outcomes of the entrepreneurial leadership like organization's innovation and employee performance. In future, the researcher should adopt mediating and moderating variables e.g., culture, job satisfaction and employee motivation and although this research align with the previous researches (Cai, W, *et al.*, 2019). Furthermore, researcher should select more diverse pool of entrepreneurial leaders from different countries like china and India to analyze cross cultural effects. Furthermore, future study can be done by using other relevant theories like LMX theory and social cognitive theory.

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