Volume: 7 Issues: 43 [September, 2022] pp. 47 - 62
International Journal of Accounting, Finance and Business (IJAFB)
eISSN: 0128-1844
Journal website: www.ijafb.com
DOI: 10.55573/IJAFB.074304

PREDICTING ORGANIZATIONAL PERFORMANCE IN THE CONTEXT DUBAI SMES: A MEDIATED MODERATED MODEL

Abdulaziz Alqasimi [1], Mohd Faiz Hilmi [2]*, Anas Abudaqa [3]

[1, 2, 3] **School of Distance Education, Universiti Sains Malaysia-Penang (Malaysia)**
*** Corresponding Author: Faiz@usm.my**

Article history
Received date : 25-6-2022
Revised date : 1-8-2022
Accepted date : 15-8-2022
Published date : 1-9-2022

To cite this document:
Alqasimi, A., Hilmi, M. F., & Abudaqa, A. (2022). Predicting organizational performance in the context Dubai SMEs: A mediated moderated model. *International Journal of Accounting, Finance and Business (IJAFB)*, 7(43), 47 - 62.

Abstract: *SMEs are regarded as a vital component of any economy regardless of the development status. This study considers the role of entrepreneurial leadership, learning orientation and digital transformation in determining the business performance for the Small and Medium Enterprises as working in Abu Dabhi, UAE. For this purpose, primary data was collected with the help of questionnaire as developed through extracting the various items from existing literature for the study variables. With the help of probability sampling, a valid sample of 400 respondents was collected and empirically analyzed. Furthermore, based on the deductive approach, current study has tested the relationship between the variables through two step approach which is entitled as measurement model assessment and structural model assessment, respectively. The findings through measurement model assessment specify that there is no problem for the reliability, internal consistency, and other measurements which are necessary while going for the structural model assessment. Additionally, the study findings through structural model analysis indicate that there is a significand and positive impact of entrepreneurial leadership, learning orientation, and digital transformation on the performance of SMEs as working in Dubai. Based on the study findings, it is stated the factors like learning orientation, digital transformation, and innovative capacity are showing their good role in determining the organizational performance from the context of SMEs. Furthermore, innovation capacity is also examined as a good indicator towards organizational performance. On the other side, innovation capacity is playing its significant mediating effect on the relationship EL-OP, and between LO and OP, respectively. Finally, the findings show insignificant moderating effect of digital business strategy on the relationship between digital transformation and organizational performance of SMEs. The findings under present study would be of great support to various decision makers and business managers as working in small and medium enterprises of Abu Dahbi, UAE. Besides, some contributions along with the limitations as also provided under this study.*

Keywords: *Entrepreneurial Orientation, Learning Orientation, Digital Transformation, Business Performance.*

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Introduction and Background

SMEs are regarded as a vital component of economy regardless of the development status of any country. In 1997, a meeting was held in Denver by G-8 group and regarded the SMEs as a vital factor of the economy and also acknowledged that it has provided jobs and also enhanced the industrial development and growth (Lee, 2011). Notably, every country has its own economic scenarios and is directly influenced by the globalization. Technological advancements are taking place and trade has been liberalized where both of these factors have created an intensive competitive environment at national and international level. In the presence of large-scale organizations, SMEs are playing their vital role in economic development. It is worthy to note the 90% SMEs represent the overall number of firms in Latin America, Asia and Europe which also accounts for 70% employment and 60% contribution to GPD (Ayyagari, Demirguc-Kunt, & Maksimovic, 2011).

In addition, there are 151875 SMEs in Dubai after an estimated SEMs count of 72695 in 2008. In few years, they have grown at rapid pace where 61%, 36%, and 2% firms are micro, small and medium scale respectively. More interestingly, 48%, 47%, and 5% of SMEs are related to services, trading, and manufacturing respectively. More importantly, SEMs' estimated contribution is AED 198.6 Billion towards the Gross Value-add (GVA) of Dubai economy. Notably, it is contributing 51% in GVA and approximately 46% contribution to GDP. Statistics are highlighting the importance of SMEs in Dubai economy (Dubai SME, 2019). Based on the above argument, this study is going to consider all three categories of SMEs which are micro, small, and medium in nature for the purpose of conducting an empirical investigation regarding their performance outlook. Furthermore, our study has taken into account all three segments of SMEs which are entitled as manufacturing, trading, and service as well.

Besides the major contribution towards the economies, the low performance of SMEs and their failure is not a new phenomenon in any country regardless of the development status. Majority of the SMEs don't go for a long run and tend to fail within the first five years of their establishment (Khalique, Isa, & Nassir Shaari, 2011; Zimmerer, Scarborough, & Wilson, 2008). Notably, in developed countries namely Australia, UK, and USA approximately up to 90% SMEs fail within the first 10 years of their establishment (Ahmad, Abdul Rani, & Mohd Kassim, 2010; Syed, Ahmadani, Shaikh, & Shaikh, 2012; Zimmerer et al., 2008). SMEs fail due to various factors such as absence of education, untrained and absence of entrepreneurial approach and skills (Ullah, Shah, Hassan, & Zaman, 2011). Furthermore, majority of SMEs fail due to absence of managerial competencies, finance, latest and rapid developments in technology (Saleem, Kaleem, Malik, & Raza, 2011; Tambunan, 2008).

The title of digital transformation has also shown its impact on the SMEs in terms of their values and business models (Lucas, Agarwal, Clemons, El Sawy, & Weber, 2013) It is examined as a process through which there is a restricting of economies, institutions, or societies as a whole (Teece, 2010). A large of new opportunities are observed due to digitalization and its pressure on the SMEs to reconsider their contemporary business models in order to identify and adopt new opportunities (Kiel, Arnold, Collisi, & Voigt, 2016). In this regard, authors like Wirtz, Schilke, and Ullrich (2010) have suggested that mangers need to acquire or adapt one or more aspect of their business models along with the information technologies of digital transformation. Similar argument was developed by (Rachinger, Rauter, Mu¨ller, Vorraber, & Schirgi, 2018) who have focused on the concept of digital transformation.

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In addition, approximately in all the business industries, developing a concept of innovation is primarily linked with the success in the market where a big focus in the academic literature related to innovation capability has been made. In this regard, different titles of business innovation capability have been observed. For example, one of the earlier concepts of organizational innovation has been reviewed by Wolfe (1994), whereas Ali (1994) has considered the incremental and radical innovations. Afterword's, Garcia and Calantone (2002) have explained the term innovativeness along with technological innovation while reviewing new product development, marketing, and engineering as well. Meanwhile, Adams, Bessant, and Phelps (2006) consider the innovation management measurement with the main focus on developing a construct through which innovation activities would be measured at firm level. Although the term innovation has got some reasonable attention in the literature till date, there is a very little investigation for this title specifically from the context of SMEs in UAE. Notably, the number of studies are increasing which postulate the entrepreneurial leadership as a style and behaviour (Freeman & Siegfried Jr, 2015; Karol, 2015). Meanwhile, the title of entrepreneurial leadership involves those leaders who create a good vision which is very significant for actualizing and moving committed employees who can reasonably execute that vision. Such leaders which are entitled as entrepreneurial in nature show empathy towards themselves and their workplace as well while shaping different opportunities in order to generate values for the firm, society, and various other stakeholders as well (Nor-Aishah, Ahmad, & Thurasamy, 2020).

The direct association between entrepreneurial leadership, organizational performance, and learning orientation has got some reasonable attention but missing from the context of SMEs in UAE. At the same time, the mediating role of innovation capacity on the relationship between entrepreneurial leadership, learning orientation, and performance outlook for the SMEs in UAE is found with no theoretical and empirical contribution in the literature till date. This would claim that there is a possibility for a significant mediating effect of innovation capacity between entrepreneurial orientation, learning orientation, and organizational performance for which literature is totally missing with such evidence. Furthermore, learning orientation and digital transformation may lead to better and improved organizational performance specifically in UAE. However, the interacting effect from digital strategy may claim that there would be a stronger organizational performance from the context of SMEs in UAE. Therefore, this study examines the moderating role digital strategy on the relationship between learning orientation, digital transformation, and organizational performance for the SMEs sector in UAE.

Literature Review

Recently, Sandybayev (2019) contended that the entrepreneurial leaders have more opportunities to exploit the resources as compared to other leadership styles as they do influence the people rather than using the power of their personal status and authority. In this way, they can result in better organizational performance as compared to other leadership styles. Previously, it has been argued that entrepreneurial leader has two-way association with the organization which helps him or her to dominate individuals by using the influence power In this way, such leadership can integrate their entrepreneurial orientation within an organization and boost up its performance (Kesidou & Carter, 2014). Previously, various studies have reported that entrepreneurial leadership results in superior organizational performance. For instance, Sandybayev (2019) conducted a study and collects the data from the SMEs in UAE. Author reported that the entrepreneurial leadership makes the organizational performance superior. Similarly, Chandra, Setyohadi, and Hidayat (2019) conducted a study to assess the direct influence of entrepreneurial leadership on the organizational performance. In this regard,

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Hayat, Latif, Humayon, Ahmed, and Azeem (2019) also examined the association between entrepreneurial leadership and organizational performance.

Organizations are persistently looking for the new ideas and practices which can potentially benefit them and increase their performance and learning orientation (Ekhsan, Badrianto, Fahlevi, & Rabiah, 2020). Organizations can also change the employee behaviors and attitudes by taking the valuable initiatives such as the learning (Jawad Hussain, Shah, & Khan, 2017). Undeniably, learning orientation helps an organization to increase its performance as it equips an organization with the latest knowledge (Suliyanto & Rahab, 2012). Accordingly, organizations which are keenly interested to accept the new ideas, skills, and processes emerge to be a better market player and handily deal with the environmental challenges (Fang, Chang, Ou, & Chou, 2014). Furthermore, such orientation tends to improve the organizational performance and offer an organization with competitive advantage (Alegre & Chiva, 2013; J Hussain, Ismail, & Akhtar, 2015). It is worthy to note that organizations look for the strategic choices to gain the competitive advantage along with sustainable practices (Ali & Anwar, 2021). In such dynamics, business organizations are asked to change their strategic choices and apply those which can offer them with the latest skills and competencies to smooth their survival and growth. Therefore, the learning orientation has emerged to be the optimal strategy which can offer an organization with the competitive advantage and also enhance its organizational performance (Salim & Sulaiman, 2011).

Digital transformation asks the organizations to redefine their way of businesses and reshape the policies they are following. It has become important for SMEs as it offers them with the competitive edge. The increasing pressure of being competitive has forced the SMEs to go for the digital transformation as a tool to gain the maximum performance (Bouwman, Nikou, & de Reuver, 2019). From digital transformation perspective, it must be noted that it changes the way business is being carried out and is more broader than the digitalization of business. It restructures the business processes (Li, Su, Zhang, & Mao, 2018) and also changes the way of value creation of a particular organization (Gölzer & Fritzsche, 2017). Digital transformation results in fundamental changes in the business structure, the way activities are performed and also enhance the capabilities of organizations. Actually, it is the use of the digital technologies which ensures borderless interaction with the suppliers, customers, and the other firms (Singh & Hess, 2017).

Previously a study has reported that the innovation capacity mediates the association between entrepreneurial leadership and performance (Yusnita & Wahyudin, 2017). Further a study (Mehmood, Jian, & Waheed, 2019) has reported that the entrepreneurial leadership creates an innovation climate within an organization. These leaders encourage their employees to seek for opportunities and boost them to exhibit innovative behaviors; thus enhancing the innovation climate which in turn enhances the innovative performance. Thus, it can be stated that leaders who employ the entrepreneurial leadership style tends to enhance the innovation capacity. When the innovation capacity is enhanced the organization will have superior performance. On the other hand Rajapathirana and Hui (2018) conducted a study and measured the influence of innovation capacity on performance by collecting data from senior managers of companies. They reported that innovation capacity does have indirect influence on the performance of an organization.

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Previously, it has been argued that the organizations' orientation to learn offer them with the latest skills and knowledge (Islam, Ahmad, Kaleem, & Mahmood, 2020). Such practice serves as a resource and enhances the organizational capacity to innovate and process the market information faster. In this way, the newly gained knowledge contributes towards the capacity building of an organization and increases the overall performance (Simonin & Özsomer, 2009). Thus, it is argued that the organizations which focus on the learning and invest the resources in the learning tend to enjoy the superior performance. While adopting the earning orientation organizations build their own innovation capacity which then improves the performance. Previously available literature is consistent in the argument that learning orientation results in creation of new knowledge as utilized by the individuals working within an organization for the development of innovations. Besides the organizations which are highly learning oriented tend to observe the higher level of the innovations due to the shared knowledge. Learning orientation being a resource develops the organizational innovation capacity which then boosts the performance of an organization (Lin, McDonough III, Lin, & Lin, 2013).

Digital transformation directly and indirectly influences the performance. In this regard Nwankpa and Roumani (2016), conducted a study and reported that the digital transformation has positive and significant influence on the performance. They also made suggestions that it assists an organization to adopt the new technologies, thus resulting in increased organizational performance. Such organizations reduce their costs due to digital integration of the processes and gain benefits from the IS capabilities. Digital developments are pressuring the organizations to rethink the way they are doing the businesses. Few of the organizations are producing superior results with the ability to exploit the digital technologies to be competitive (Mubarak, Shaikh, Mubarik, Samo, & Mastoi, 2019). However, there are other companies are which are not gaining much benefit even though they have the ability to exploit such opportunities and implemented the digital transformation. Figure 1 shows the research framework of the study.

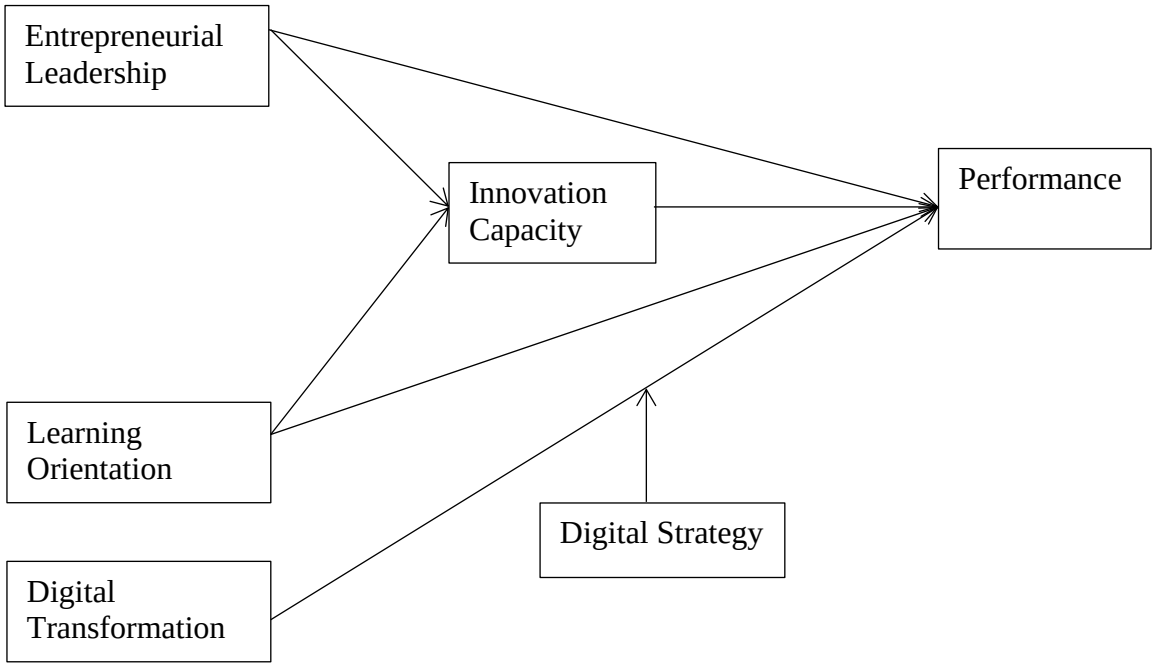

Figure 1: Research Framework

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Research Methods

Present study has taken into account the SMEs and their key executives as working in the region of Abu Dhabi. For this reason, this research has collected primary data through questionnaire approach where the items were extracted from existing literature. However, for the better understanding, a slight modification was made in the study items which were presented in-front of the respondents. In addition for the purpose of sample size, Krejcie and Morgan (1970) table is used. As per the table, sample size is 384 executives of SMEs. The reason to select the executives of SMEs as proposed respondent is that this job title is observed in all the SMEs as working in the Dubai, UAE, which means that these respondents are quite fit while visiting any of sub-segment of SMEs entitled as manufacturing, trading, or service concerns. Furthermore, in some SMEs these executives are also entitled as executives/owners due to the fact that their owners are primarily running the whole business unit. The sample size is inflated to gain the maximum responses from the respondents. In this regard Corner and Lemonde (2019) contended that the 70% response rate can be attained in data collection, so the sample size is inflated by 100%. Hence 384 is the original sample size required and after 100% inflation it became 768 executives of the SMEs. By the end, a valid sample of 400 respondents was finalized having no missing responses. For empirically analysis, measurement model, and structural models were under consideration.

Analysis and Discussion

Initially, response rate is presented with the help of Table 1 for which it is found that total 786 questionnaires were distributed in small, medium, and large organizations. Out of which total 463 questionnaires were returned by the respondents. A detailed investigation of the questionnaires has made it clear that 63 questionnaires were found to be not valid due to missing responses, so they were dropped from the valid sample. In this regard, a valid and final sample of 400 questionnaires were found to be good enough for the further analysis.

Table 1: Response Rate of Respondents

Organizations	Sample Identified	Distributed Questionnaire	Returned Questionnaire	Valid Questionnaire
Small	128	256	215	185
Medium	128	256	155	135
Large	128	256	103	80
	384	**786**	**463**	**400**

Variable Details and Descriptive Statistics

Table 2 provides the details for the study variables, their key role in the model, and coding, respectively.

Table 2: Data Coding

Constructs	IV/DV/Med./Mod	Code
Entrepreneurial Leadership	**IV**	**EL**
Learning Orientation	**IV**	**LO**
Commitment to learning	--	CL
Shared Vision	--	SV
Open-mindedness	--	OM
Intra Organizational Knowledge Sharing	--	IOKS
Digital Transformation	**IV**	**DT**

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Innovation Capacity	**Med.**	**IC**
Product Innovation Capability	--	PIC
Organizational Innovation Capability	--	OIC
Process Capability	--	PC
Digital Business Strategy	**Mod.**	**DBS**
Management Capability	--	MC
Operational Capability	--	OC
Organizational Performance	**DV**	**OP**
Operational Performance	--	OP
Inventory Management and Innovation Performance	--	IMIP

Note* IV=Independent variable, DV= Dependent variable, Med.= Mediator, Mod.= Moderator

In addition, Descriptive statistics have been performed to examine the trends in data. It provided the mean and standard deviation value for all of the variables. As per the findings reported in the table 3, mean value for the independent variable entrepreneurial leadership is 1.2030. Moreover, the mean values for the components of the learning orientation namely, commitment to learning, shared vision, open-mindedness and intra organizational knowledge sharing are 3.6004, 3.2811, 2.7604 and 4.2250 respectively. In addition to this, table also shows the mean values for the variables namely, digital transformation, innovation capacity and digital business strategy valued at 3.7768, 3.9190 and 3.2190 respectively. Mean values show the average response of the respondents regarding a particular construct. Besides mean values, table 3 also shows the standard deviation values for the constructs under study as well. As per the findings reported in table the SD value for the variables namely entrepreneurial leadership, digital transformation, innovation capacity and digital business strategy are .52645, 1.00409, .78306, and .99250 respectively. Moreover, the values of the SD for the components of the learning orientation namely, commitment to learning, shared vision, open-mindedness and intra organizational knowledge sharing are .37394, 1.00589, .86261, and .85920 respectively. Standard deviation represents the extent to which a response can deviate from its mean.

Table 3: Descriptive Statistics

Constructs	**N**	**Mean**	**Std. Deviation**
EL	400	4.2030	.52645
CL	400	3.6004	.37394
SV	400	3.2811	1.00589
OM	400	2.7604	.86261
IOKS	400	4.2250	.85920
DT	400	3.7388	1.00409
IC	400	3.9190	.78306
PIC	400	3.7898	.83063
OIC	400	3.7768	.68821
PC	400	3.2735	.92320
DBS	400	3.2190	.99250
MC	400	3.6738	1.28250
OC	400	3.8160	.64560
OP	400	3.5460	.90738
OP	400	3.7731	.78800
IMIP	400	3.1970	.78830

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In addition, CFA was performed for the assessment of the internal consistency (composite reliability and Cronbach's alpha), convergent validity (average variance extract) and discriminant validity (Fornell Larcker criterion and heterotrait-monotrait ratio) of all the variables. The present study has assessed the construct validity by both the convergent and discriminant validity. Table 4 shows the values for Cronbach's Alpha, factor loadings and CR. Alpha value for all the variables under study is greater than 0.70. Additionally, the factor loadings of all the indicators are in acceptable range as they are greater than 0.5. However, the items with low loadings are deleted such as two items were deleted from the entrepreneurial leadership instrument, one item deleted from the shared vision instrument and five items were deleted from the inventory management and innovation performance instrument. Total eight items were deleted from the whole instrument which is acceptable.

Additionally, composite reliability was also assessed in order to establish the internal consistency of the measures. Table 4 also shows the CR values for the variables under study. As per the criterion, the values of CR must be greater than 0.7 (Hair, Anderson, Babin, & Black, 2010). CR values for the variables under study are ranged from 0.809 to 0.960 which satisfies the criterion for the internal consistency. Hence, all of the instruments are internally consistent. Convergent validity can be denoted as the extent to which multiple items used to measure a construct are in line with the concept (Ramayah et al., 2011). In the present study, all of the constructs are reflective; therefore, the convergent validity is assessed by using three criterion which are as follows: 1) assessing the factor loadings, 2) assessment of the AVE, and 3) assessment of the CR (composite reliability (Fernandes, 2012). AVE can be described as the mean value of the squared loadings of the indicators linked with their constructs. Notably, the constructs having AVE value more than 0.5 (Hair, Ringle, & Sarstedt, 2013) are considered to be significant as they captured the half of the variance and is greater than the error (Kline, 2011).The findings reported in table 4 show AVE values. As per the criterion the value of AVE must be greater than 0.5. Value of AVE for the under-study variables ranged from 0.502 to 0.888 which satisfies the criterion and establish convergent validity. Refer to table 4, values of AVE are within the acceptable range and confirming the convergent validity.

Table 4: Summary of Reliability and Convergent Validity of the Constructs

First Order Constructs	Higher Order Constructs	Items	Loadings	Alpha	CR	AVE
Inventory Management and Innovation Performance		IMIP1	0.810	0.907	0.931	0.729
		IMIP2	0.885			
		IMIP3	0.855			
		IMIP4	0.896			
		IMIP5	0.818			
Intra Organizational Knowledge Sharing		IOKS1	0.856	0.908	0.935	0.784
		IOKS2	0.916			
		IOKS3	0.885			
		IOKS4	0.883			
	Learning Orientation			0.926	0.937	0.553
		CL	0.823			
		SV	0.455			
		OM	0.880			
		IOKS	0.843			

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Management Capability		MC1	0.814	0.666	0.817	0.598
		MC2	0.715			
		MC3	0.789			
Market and Financial Performance		MFP1	0.785	0.798	0.868	0.621
		MFP2	0.806			
		MFP3	0.788			
		MFP4	0.774			
Operational Capability		OC1	0.846	0.782	0.874	0.698
		OC2	0.865			
		OC3	0.794			
Organizational Innovation Capability		OIC1	0.854	0.779	0.872	0.695
		OIC2	0.763			
		OIC3	0.880			
Open-mindedness		OM1	0.851	0.884	0.92	0.742
		OM2	0.856			
		OM3	0.871			
		OM4	0.867			
Operational Performance		OP1	0.847	0.756	0.86	0.673
		OP2	0.853			
		OP3	0.758			
	Organizational Performance			0.911	0.925	0.508
		OP	0.785			
		IMIP	0.889			
		MFP	0.893			
Process Capability		PC1	0.944	0.942	0.958	0.851
		PC2	0.920			
		PC3	0.913			
		PC4	0.912			
Product Innovation Capability		PIC1	0.910	0.913	0.946	0.853
		PIC2	0.954			
		PIC3	0.906			
Shared Vision		SV1	0.969	0.937	0.96	0.888
		SV2	0.923			
		SV3	0.935			

Structural Model Assessment

The findings for the path analysis are given in Table 5 of the study. The study findings revealed that entrepreneurial leadership (EL) plays a key role in enhancing the organizational performance. The results of the study postulated that the entrepreneurial leadership is significantly associated with the organizational performance. Secondly, this study was aimed to determine the influence of learning orientation (LO) on organizational performance. Findings of the study revealed that learning orientation played a significant role in enhancing the organizational performance. Accordingly, the results also postulated that learning orientation and organizational performance are significantly associated and supported the hypothesis which also proposed a significant association between the learning orientation and organizational performance. Results of the study indicate that the increasing learning orientation of organization ultimately increases their organizational performance. The present study has established a positive association between the learning orientation and organizational

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performance. The study findings are in line with the previous studies (Adegbuyi, Adegbuyi, Ogunnaike, Ibidunni, & Fadeyi, 2018; Jawad Hussain, 2015; Oktavio, Kaihatu, & Kartika, 2019; Perin, Sampaio, Jiménez-Jiménez, & Cegarra-Navarro, 2016; Potnuru, Sahoo, & Sharma, 2019).

The present study has an objective to determine the influence of digital transformation on the organizational performance. The study findings revealed that the organizational performance is influenced by the digital performance. Accordingly, the results also provided a positive influence of the digital transformation on the organizational performance. In light of the results, hypothesis which states that the digital transformation is significantly associated with the organizational performance is accepted. The results establish that the organizations who goes through the digital transformation (Embrace the latest technologies and redefine the working and also embrace the changes happening due to the digitization) scale up their financial performance. Accordingly, Westerman, Tannou, Bonnet, Ferraris, and McAfee (2012) in their study concluded that the organizations which embrace the digital transformation have shown the increased performance (revenues). Such organizations reported to have 10% higher revenues in comparison to other companies. Therefore, it can be stated that the digital transformation increases the financial performance. Accordingly, Weill and Woerner (2015) reported that organizations which have embraced the digital transformation have reported an increase of approximately 30% revenue along with 27% increase in their profit margins comparatively to their competitors. On the contrary, there are also the studies which report no influence of the digital transformation on the organizational performance. For instance, Bughin, Catlin, Hall, and van Zeebroeck (2017) in their study examined the digitization and categorized the organizations into three categories according to their digitalization ranking. According to their findings some firms report a financial gain, whereas some report no or smaller financial gain in the presence of the digital transformation. Notably, they concluded that the digital transformation and financial performance is significantly correlated which strengthen the present study findings. As per the findings of the study, organizations who are committed and invest the resources for the learning enhance the knowledge, skills, and abilities of their employees. Similarly, the learning orientation results in the shared vision which also enhances the innovation capacity as all of the organizational members are on a page and consistent with the vision. Learning orientation equips the employees with the latest knowledge due to which they feel a sense of open-mindedness and finally, the sharing of the information between the firms results in the knowledge exchange which enhances their knowledge which adds in the innovation capacity.

Table 5: Path Analysis

Relationships	Beta	SD	t value	p value
EL -> OP.	0.056	0.017	3.294	p<0.05
LO -> OP.	0.277	0.039	7.162	p<0.05
DT -> OP.	0.081	0.03	2.668	p<0.05
EL -> IC	-0.524	0.053	9.865	p<0.05
LO -> IC	0.350	0.058	6.089	p<0.05
IC -> OP.	0.563	0.043	13.111	p<0.05

Note: EL- Entrepreneurial Leadership; DT- Digital Transformation; LO- Learning Orientation; IC- Innovation Capacity; OP.- Organizational Performance.

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DOI: 10.55573/IJAFB.074304

The findings of the study reaffirm the importance of the innovation capacity particularly in the context of SMEs in order to have sustainable competence in the era characterized by rapid technological developments and uncertain markets. The findings have established a link between the innovation capacity and organizational performance. Further, in line with the results, it is stated that the innovation capacity positively contributes towards the organizational performance. Accordingly, study was aimed to determine the association between the aforementioned variables and developed the hypothesis which states that the innovation capacity and organizational performance are significantly associated.

The study also examines the role of innovation capacity as mediator between the association of the entrepreneurial leadership and organizational performance for which results are shown in Table 6 below. In this regard, it was hypothesized that the innovation capacity is a significant mediator between the entrepreneurial leadership and organizational performance. The findings of the study established that innovation capacity is a significant mediator between the entrepreneurial leadership and organizational performance. Notably, the mediation results also fulfilled the conditions proposed by Hayes (2009) according to which for mediation the independent and dependent variable must be significantly associated. There must be significant association between the independent and mediating variables. Finally, the mediator must be associated with the dependent variable. The study results have also revealed that entrepreneurial leadership and organisational performance are significantly associated. Additionally, study also revealed a significant association between entrepreneurial leadership and innovation capacity. Finally, results also showed a significant association between the innovation capacity and organizational performance. Since, all the conditions of the mediation are fulfilled thus, it can be stated that the innovation capacity is a significant mediator between the association of entrepreneurial leadership and organizational performance such that the presence of the innovation capacity enhances the influence of the entrepreneurial leadership on performance.

Table 6: Indirect Effects/Mediating Effect

Relationships	Beta	SD	t value	p value	LL	UL
EL -> IC -> OP.	-0.295	0.033	8.866	p<0.05	-0.351	-0.24
LO -> IC -> OP.	0.197	0.04	4.974	p<0.05	0.133	0.262

Note: EL- Entrepreneurial Leadership; DT- Digital Transformation; LO- Learning Orientation; IC- Innovation Capacity; OP.- Organizational Performance.

The study has also determined the role of innovation capacity as a mediator between learning orientation and organizational performance. In this regard, it was proposed that the innovation capacity is a significant mediator between the learning orientation and organizational performance. The results of the study established that the innovation capacity significantly mediates the association between the learning orientation and organizational performance.

Finally, study investigated the moderating role of the digital business strategy between the association of the digital transformation and organizational performance under Table 7 findings. To test the hypothesis, moderation was performed which provides the interaction term. The interaction term found to be insignificant which did not support the hypothesis. Notably, the previous studies (Wunderlich & Beck, 2018) have regarded the digital business strategy as an important factor for organizations as it serves as resource for them. Even though organizations are well-aware of the digital transformations' importance and outcomes particularly from the performance perspective, still they need an action plan to act upon for the

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optimal results of their invested resources. For instance previously studies have pointed out that the digital transformation results in organizational performance. Bouwman et al. (2019), in their study contended that the organizations are under immense pressure of the competitiveness and business world is changing dynamical due to the developments in the domain of the technology which have forced the organizations to go for the digital technologies. Similarly another study has also established that digital transformation influence the organizational performance. Accordingly, Wunderlich and Beck (2018) in their study argued that the strategy regardless of its type moderates the relationship between the digital transformation and organizational performance.

Table 7: Interaction Term

Relationships	Beta	SD	t value	p value	LL	UL
DT*DBS -> OP.	0.009	0.050	0.175	p>0.05	0.190	0.513

Conclusion

The study was aimed to determine the influence of entrepreneurial leadership, learning orientation, and digital transformation on the organizational performance. Additionally, study as considered the innovation capacity as a mediator between the association of independent (Entrepreneurial leadership, learning orientation and digital transformation) and dependent variable (Organizational performance). Study has also considered the digital business strategy as a moderator between the digital transformation and organizational performance.

Based on the study findings, it is stated the factors like learning orientation, digital transformation, and innovative capacity are showing their good role in determining the organizational performance from the context of SMEs as observed. Furthermore, innovation capacity is also examined as a good indicator towards organizational performance. On the other side, innovation capacity is playing its significant mediating effect on the relationship EL-OP, and between LO and OP, respectively. Finally, the findings confirm the moderating effect of digital business strategy on the relationship between digital transformation and organizational performance of SMEs.

From the theoratical perspective the study has provided the evidence regarding the different enabalers (Entrepreneurial leadership, learning orientation and digital transformation) of the innovation capacity within an organizations. Notably, the study has considered the mediation role of the innovation capacity between the predictors and organizational performance which puts forward that the organizations are needed to emphasize on their innovation capacity as a facilitator to enahnce the organizational performance.

Notably, the study has valuable contribution in the Resource-based view such that it was underpinning theory for the present study. Previously other leadership styles have been underpinned by resource-based view, however the present study has made valuable contribution by underpinning a novel leaership approach as a resource. Additionally, the study has also contributed in the existing literature on RBV by providing evidence on the contribution of the non-tangible resources such as learning orientation which offer an organization with competitive advantage and enhance the organizational performance.

From the metholdogical perspective the presnent study has followed the latest approaches to test the hypotheses of the study. Previously studies have used the Cronbach's alpha and

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regression to test the hypotheses which are sufficient techniques but do not provide the true picture of the study outcomes.

The findings of the present study are subject to various limitations which must be considered. First of all the present study is cross sectional. Notably, this is utilized due to limitations such as cost and time.

The findings should be interpreted carefully while generalizing the findings of the study. SMEs outside Dubai are working under different circumstances and have different working environment in comparison to the Dubai. Therefore, the findings cannot be generalized as a whole. Additionally, the study is conducted in SMEs which also make its limited application towards the large scale and multinational organizations working within Dubai. Therefore, they should be interpreted carefully. The present study is quantitative in nature which may results in response bias from the respondent's perspective. Notably, the study has established the reliability and validity of the measuring instrument. Additionally, study has considered the digital business strategy, innovation capacity, and learning orientation as a second order construct which may hinder the true picture of the influence of these indicators on the performance of organizations.

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