Antecedents of Employees' Entrepreneurial Orientation: The role of Organizational Culture and the Enabling Environment

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Abstract

There is an abundant literature on Entrepreneurship within organization, but the evidence on how it is caused, is still dispersed. Moreover, it still lacks a proper theoretical framework. Brettel et al., (2015) used Competing Values Model in explaining the effect of organisational culture on Entrepreneurial Orientation. We modified this model, including enabling environment factors, as well as more enriched dimensions of Entrepreneurial Orientation. Hence we hypothesized that organizational culture (Clan, Hierarchical, Developmental, Rational, and Open Culture), and enabling environment (Flexibility/ support, Open Communication, External Orientation, and Team Work) affect Employees' Entrepreneurial Orientation measured by new product innovation, new organizational practice, proactivity, and risk-taking. We applied this model by conducted a survey using likert scale type questionnaire. The data was collected from 325 employees working in various organizations in Karachi. Data was analyzed utilizing corroborative factor analysis and organized equation modeling. The results disclosed that new product innovation was positively influenced by Rational Culture, Open Culture, Flexibility, and External Orientation. And negatively affected



by Clan Culture. Similarly, risk taking ability is positively influenced by Developmental Culture, External Orientation, and Team Work. Proactivity is positively affected by Rational Culture, and External Orientation. Unlike Innovation, which was negatively affected by Clan culture, New Organizational Practice got positively affected along with Open Communication.

Keywords: Clan Culture, Hierarchical Culture, Developmental Culture, Rational Culture, Open Culture, Flexibility, Open Communication, External Orientation, Team Work, New product innovation, New organizational practice, Proactivity, Risk-taking

1. Introduction

1.1 Background

In today's business world, innovation is a major pillar of success for all organizations. Rapidly changing technologies, shortening the product life cycle, and accelerating product development can accelerate the pace of innovation and change the nature of economic development. Innovation is currently at the heart of organizational strategies to achieve and maintain competitiveness in the market. This becomes more complex as customer needs and technology change rapidly. Innovation alludes to the introduction of an organization in a new product or new product quality, production method, market, source, and / or industry. The goal is also to improve existing concepts and ideas by creating a commercially viable product using a stepwise process. Innovation tends to be very dynamic, it is considered an essential for all businesses including Multinational companies, Large Businesses, Small businesses or start-ups. The most satisfying innovation is the ability to turn an idea into a successful concept. To do this, you must follow a long and complex process. To succeed, you need to understand the process and get the support you need. This distinguishes between successful and unsuccessful innovation processes.

Product innovation is defined as; Consumption of new tools or components in the development of new products, changes to established product designs, or the manufacture of established products. Many examples of product innovation include new product introductions, quality improvements, and overall performance improvements. Product innovation, cost reduction innovation, and process innovation are three types of innovation aimed at developing the company's production methods. An atmosphere that provides the flexibility to react to transformation and provides psychosomatic security, processes, and tools to leverage the creative thinking required for innovation: a new value for creating, developing, implementing, and leveraging knowledge Generate Or an improved product, service, or process. This environment is the product of two things: the organization's members-management style, its value, behavior, attitude, communication style, and shared business practices-and infrastructure (policies, processes, etc.). And system).

Innovation is a key indicator of an organization's ability to sustain success. And in today's uncertain and complex global business environment, the ability to remain successful through a culture of innovation is becoming increasingly important. The "innovation culture" provides a competitive advantage (Shahzad, 2017).



The culture of the organization is visible to employees and customers. Stories told about the organization by employees and customers give insight into the culture of the organization. If you are affecting an individual, you are affecting the team, which is affecting the organization. Before you can affect the whole thing, you need to affect the part. The reverse is also true. The vision, strategy, and direction defined at the organizational level influence teams and individuals. Culture is born from the top. The CEO and management team are primarily responsible for the culture of the organization. Their leadership style, values, behaviors, and working methods set the tone of the organization's culture. Therefore, if an organization wants a culture of innovation, management must take the lead in defining its intent, communicating it throughout the company, and demonstrating its commitment through innovation. Through his own actions and involvement in the process of achieving innovation.

Organizational practices that provide enabling environment are located just outside the core culture. They are not elements of basic culture. It is rather action that translates ideals into actions. In short, they make use of culture.

Mergers and acquisitions are responsible for cultural issues. Even a well-functioning organizational culture can develop into a malfunctioning culture after the merger. Research shows that two of the three mergers fail due to cultural issues. By mixing and redefining cultures and reconciling those differences, we are building a common platform for the future. In recent years, the rapid pace of mergers and acquisitions has changed the way companies merge. Mergers have focused on cultural fusion and achieving specific business goals. Some experts believe that a strong corporate culture will naturally develop if the right business plans and programs are implemented at the time of the merger.

1.2 Problem Statement

Entrepreneurial orientation is an important theory. Executives craft strategies with the hope or idea of achieving something innovative and utilizing chances that other firms cannot utilize. Entrepreneurial orientation is basically the practices, processes, styles of decision making that operate entrepreneurially. Entrepreneurial orientation of an organization can be understand with the help of competitive aggressiveness, pro-activeness, new organizational practices, autonomy, innovativeness and risk taking. Entrepreneurial orientation was developed in order to adapt rapid changes in the modern global environment for the business survival. Entrepreneurial orientation also affects the growth of the firm.

Entrepreneurial orientation face a lot of challenges like lack of training and educational facilities, insufficiency of capital (in contrast to western nations, due to increase in prices it has become difficult to sustain people's standard of living), socio cultural elements also contribute towards slow growth of entrepreneurship, opposition of changes and innovation, insufficient facilities of incentives and government, heavy corruption and taxation, lack of human and physical resources, deficiency of technical structure like professional managers, trained and specialist employees are required, risk regarding loss of invested money and lack of interest towards work etc.



1.3 Gap Analysis

Shahzad et al., (2017) investigated the impact of organizational culture on innovation performance. The outcomes indicated that organizational climate, external orientation, teamwork, employees' empowerment and support to change/ flexibility significantly affects innovation performance.

Laforet, (2016) also examined the connection between organizational culture and organizational innovation. The results indicate that flexible, open culture, external oriented and long term orientation positively effects organizational innovation and open communication negatively influence organizational innovation. However, detailed explanation of cultural factor were not discussed, neither proactiveness nor risk taken were focused which could be crucial for innovation.

Cherchem, (2017) investigate the connection between organizational culture and entrepreneurial orientation. The outcomes showed that clan culture highly encourage entrepreneurship orientation (when single generation was involved). Hierarchical culture also highly encourages entrepreneurship orientation (when multiple generations were involved). Similarly, Engelen et al., (2014) studied the linkage between organizational culture and entrepreneurship orientation. The outcomes revealed that adhocracy culture (positively affects) foster organization's entrepreneurship orientation level. Whereas clan culture, market cultures and hierarchical culture negatively affects entrepreneurship orientation. However, they both lacked innovation component.

Brettel et al., (2014) examined the influence of organizational culture on innovativeness, proactiveness, and risk-taking. The results of the study showed that group, developmental and rational culture positively influences innovativeness, risk-taking and proactiveness. While hierarchical culture negatively affects innovativeness, risk-taking and proactiveness. However, they fall short in explaining enabling environment factors, as well as different dimensions of Entrepreneurial Orientation. There is an abundant literature on Entrepreneurship within organization, but the evidence on how it is caused, is still dispersed. Moreover, studies either focused on innovation component or entrepreneurship. These two factors were not studies before in a combined framework. Moreover, despite a rational figure of papers on contacts among organizational culture and innovation, as per revealed earlier, tries to combine the undefended innovation model and organization philosophy have been rare (Rass et al., 2013), (Inauen, Schenker-Wicki, 2011), (Laursen, Salter, 2006) & (Katila, Ahuja, 2002) and thus worth undertaking. We modified Brettelet. al. (2015)'s Competing Values Model to include enabling environment factors, as well as more enriched dimensions of Entrepreneurial Orientation. No such study was conducted on Pakistan combining diverse factors like teamwork, external orientation, developmental culture, rational culture, clan culture, open culture, open communication, flexibility/ support to change, hierarchical culture (altogether) and entrepreneurial orientation remained distinguished by innovativeness, risk-taking, new organizational practice and proactiveness, in a single structural model.



1.4 Objectives of the Study

This study stays a quantitative research to identify the effect of independent variable i.e. organizational culture on the dependent variables i.e. new product innovation, new organizational practice, proactivity and risk-taking. The sub-variables of organizational culture are; clan culture, hieratical culture, developmental culture, rational culture, open culture, flexibility/ support to change, open communication, external orientation and teamwork. The reason of this study is to identify the effect of organizational culture through different factors new product innovation, new organizational practice, proactivity and risk-taking.

The general objective of this investigation was that what elements affect entrepreneurial orientation and what measures should be taken to overcome these problems. The specific problem of this research was to find out the influence of organizational culture on entrepreneurial orientation.

The objective of this study includes the outcome of organizational culture on new product innovation, new organizational practice, proactivity and risk-taking. It is based on the exceeding research problems, the research objectives are as follows:

- 1. To determine the effect of organizational culture on new product innovation.
- 2. To determine the effect of organizational culture on new organizational practice.
- 3. To determine the effect of organizational culture on proactivity.
- 4. To determine the effect of organizational culture on risk-taking.

1.5 Research Question

The research questions for the study are:

- What is the impact of clan culture on new product innovation?
- What is the impact of clan culture on new organizational practice?
- What is the impact of clan culture on proactivity?
- What is the impact of clan culture on risk-taking?
- What is the impact of hierarchical culture on new product innovation?
- What is the impact of hierarchical culture on new organizational practice?
- What is the impact of hierarchical culture on proactivity?
- What is the impact of hierarchical culture on risk-taking?
- What is the impact of developmental culture on new product innovation?
- What is the impact of developmental culture on new organizational practice?
- What is the impact of developmental culture on proactivity?
- What is the impact of developmental culture on risk-taking?

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- What is the impact of rational culture on new product innovation?
- What is the impact of rational culture on new organizational practice?
- What is the impact of rational culture on proactivity?
- What is the impact of rational culture on risk-taking?
- What is the impact of open culture on new product innovation?
- What is the impact of open culture on new organizational practice?
- What is the impact of open culture on proactivity?
- What is the impact of open culture on risk-taking?
- What is the impact of flexibility/ support or change on new product innovation?
- What is the impact of flexibility/ support or change on new organizational practice?
- What is the impact of flexibility/ support or change on proactivity?
- What is the impact of flexibility/ support or change on risk-taking?
- What is the impact of open communication on new product innovation?
- What is the impact of open communication on new organizational practice?
- What is the impact of open communication on proactivity?
- What is the impact of open communication on risk-taking?
- What is the impact of external orientation on new product innovation?
- What is the impact of external orientation on new organizational practice?
- What is the impact of external orientation on proactivity?
- What is the impact of external orientation on risk-taking?
- What is the impact of teamwork on new product innovation?
- What is the impact of teamwork on new organizational practice?
- What is the impact of teamwork on proactivity?
- What is the impact of teamwork on risk-taking?

1.6 Significance

Historically, there are a lot of researches were conducted on organizational culture and entrepreneurial orientation but no one has ever conduct a comparative or nexus research in which organizational culture was measured by teamwork, external orientation, developmental culture, rational culture, clan culture, open culture, open communication, flexibility/ support to change, hierarchical culture (altogether) and entrepreneurial orientation was measured by innovativeness, risk-taking, new organizational practice and proactiveness (altogether).



This study can benefit organizations in analyzing how different type of organizational culture effect the new product innovation, organizational practice, proactiveness and risk-taking. The organizational culture play a key role in performing work done within the organization. In addition, this study would also be beneficial for executive management of the organization in evaluating the best organizational practice.

2. Literature Review

In the background of culture-innovation relations, valuable perceptions remain to be found in an overview of 852 little and medium-sized skill organizations by Mazur, R ószkiewicz and Strzyżewska (2008, 2011). The discoveries indicated that the highest level organizations in every one of the three information practice classifications (which can be deciphered as organizations portrayed by a solid information culture) played out the best. What is additionally fascinating, those organizations were overseen by information situated (pioneers of significant level information direction). (Donate, Guadamillas, 2011) additionally battled that imaginative culture will bolster their development rehearses.

Li et al., (2013) inspected both the immediate and circuitous manners by which culture can impact corporate hazard taking. The paper proposes that culture will have a greater amount of an effect when supervisors have more circumspection. What's more, carefulness will in general be more noteworthy in littler firms. Thus, administrators in littler firms ought to be bound to participate in less secure conduct contrasted with their partners in bigger firms (which ordinarily have greater administration control frameworks set up that demonstration to compel administrative conduct).

Na ma Cherchem (2017) look at that in family firms, hierarchical culture develops through a progressing dynamic procedure of intergenerational collaboration. The investigation draws from the Competing Values Framework to look at the degree to which generational inclusion shapes the effects of tribe culture and various leveled culture on Entrepreneurial direction. From a quantitative investigation of 106 family SMEs, the outcomes show that there is no single social way for creating and keeping up long haul family firm's enterprising direction. While tribe culture encourages more significant levels of innovative direction when just a single era is included Li et al., (2013) inspected both the immediate and backhanded manners by which culture can impact corporate hazard taking. The paper recommends that culture will have a greater amount of an effect when supervisors have more caution. Furthermore, watchfulness will in general be more noteworthy in littler firms. Thusly, supervisors in littler firms ought to be bound to participate in more hazardous conduct contrasted with their partners in bigger firms (which ordinarily have greater administration control frameworks set up that demonstration to oblige administrative conduct). (Nordqvist, M. 2010) offers bits of knowledge through the viewpoint of dynamic capacities, which are made by information and thus produce enterprising execution and worth creation. The outcome find that family inactivity relies upon attributes of the privately-owned company culture, where paternalism and enterprising direction impact family latency emphatically and adversely, separately. Family firms from Switzerland and Italy dynamic in the drink business speak to the exact setting. Gursoy (2016) study the targets uncovering the connection between creative culture



and business endeavor. It expects to discover answers to how inventive culture influences business enterprise, what the connection between imaginative culture and business endeavor is, and what degree creative culture bolsters making new techniques and plans. The investigation discovers that imaginative culture has a huge and constructive outcome on the business undertaking, on total and by its measurements.

Livari (2007) dissected the connection between authoritative culture and the sending of frameworks improvement systems. The outcomes show that the sending of techniques by IS engineers is principally connected with a progressive culture that is arranged toward security, request, and routinization. IT chiefs' basic mentalities of the arrangement of systems in associations with a solid reasonable culture (concentrating on profitability, effectiveness, and objective accomplishment) is additionally important.

Sylvie Laforet (2016) inspects the impacts of hierarchical culture on authoritative advancement execution in family little and medium-sized endeavors. A postal study of family SMEs across areas in the UK is directed. The discoveries show that a paternalistic and originator culture type doesn't positively affect family firm advancement execution, however an enterprising like culture does, for example, one that is remotely situated, adaptable, proactive, and long haul arranged. Essentially, an internal center culture, for example, the organizer culture obstructs advancement; while an outward center culture, for example, an outside direction culture positively affects family firm development execution. This investigation makes significant commitments to the comprehension of hypotheses and practices of development in privately-run companies.

Nazamul Hoque (2013) build up a model of authoritative culture from an Islamic perspective. In the investigation. The striking highlights are confided in Allah, evangelist energy, equity, responsibility, common regard, shared trust, supreme earnestness, dedicated, collaboration, greatness, thoughtful treatment, genuineness and honesty, profound quality, consultative dynamic, information, great conduct, sacrifice, flawless and neatness. The findings of the examination can be utilized as a manual for Islamic hierarchical culture in Muslim nations.

3. Theoretical Framework

3.1 New Product Innovation

Product modernization is an indispensable undertaking for the cutting edge partnership. The organization's prosperity at new item origination, advancement, and dispatch chooses the destiny of the whole business.

Product advancement can come in three distinct structures. 1) The advancement of another item. 2) An improvement in the exhibition of the current item. 3) Another element to a current item. This development can be in the item's own usefulness, or it can appear as new innovation.

An innovation must separate itself from the opposition and be recognized by in any event one interesting component. This separating highlight ought to be exceptionally pertinent for the client and ought to have the option to be kept up in the long haul. Item advancement



incorporates the activities, strategies, procedures, and procedures for making gradual upgrades to existing items and administrations. It includes rolling out developmental improvements to the items utilizing the common advancements and hierarchical abilities or another approach to accomplish something.

This recollects gigantic redesigns for specific subtleties, parts and materials, combined programming, convenience, and other utilitarian characteristics. They ought to in like manner deal with a current issue in another and empowering way. Or then again, the thing needs to deal with an absolutely new issue that has risen.

As a thing, headway relates to both the improvement of new things and the improvement of existing things so this improvement can insinuate changes in structure or use of new materials or fragments in the gathering of developed things. The efficiency of these things is affected fundamentally by how much they are truly isolated from fighting decisions. Thing headway and advancement grants associations to build the advantage, pull in new customers, hold existing customers, and strengthen the relationship with their apportionment channels (Keller, 2003). The legitimate heritage of the firm will affect its future decisions as for the business segments where it will work.

For a few organizations effective item advancement is a motor of development (Pauwels, Silva-Risso, Srinivasan, and Hanssens, 2004). This is on the grounds that items with one of a kind and separated highlights give extra an incentive to clients, and in this manner, impact their buying choice. In huge associations that effectively figured out how to manufacture dependable brand names around the world, advancement is turning into their basic practice to make a positive recognition among clients. One of the potential ways to guarantee advancements originates from an association's capacity to concoct quality items and appealing item structures, for example, the instance of an automotive.

3.2 New Organizational Practice

In the twenty-first century, associations face numerous new difficulties. The general public and the economy have changed so profoundly that the only remaining century's administration practices and speculations are not, at this point significant. Nearly all that we do today as people or associations expect us to cooperate with huge scope establishments. The new hierarchical structure's writing contends that in a unique business condition, better approaches for getting sorted out are required to guarantee speed, adaptability, and advancement.

In this day and age, the structure, substance, and procedure of work have changed. Work is currently more psychologically perplexing, more group-based, and community-oriented, increasingly reliant on social abilities, progressively subject to innovative fitness in addition to time-constrained and progressively portable and less subject to geology. New work rehearses have been embraced, for example, work pivot, delayering, self-coordinated work-groups, without a moment to spare and all-out quality administration. The outcomes of these hierarchical changes in the firm's execution and expertise requirements are generally observed.



Utilizing either industry or firm-level information, the majority of these workers show a positive effect of new work rehearses upon efficiency, particularly regarding data advancements. Powers that are fundamentally molding administration rehearses today incorporate the pace of progress, innovation, globalization, decent variety, and social desires. Albeit numerous different factors at last add to the changing examples of work, hierarchical scholars point to two key drivers:

- Increasing pressures on organizations to be progressively serious, nimble, and client centered—to be a "lean undertaking."
- Correspondence and data innovation achievements, particularly portable advances and the Internet that empower workers to be isolated from reality.

Because of these new work rehearses organizations today are nimble and centered around recognizing an incentive from the client's point of view. They are currently more tuned to dynamic serious prerequisites and system, less various leveled in structure and choice authority in addition to less inclined to give long-lasting vocations and employer stability alongside persistently revamping to keep up or increase upper hand.

3.3 Proactive Behaviour

Dynamic activity implies responding, yet acting before future circumstances. It implies adjusting to the circumstance as well as trusting that something will occur, taking control and moving things. Dynamic workers typically shouldn't be approached to act and don't require itemized directions. Proactive conduct stands out from other occupation-related practices, for example, a capability that is, meeting unsurprising employment prerequisites, tending to, adjusting to change, and offering help. By different individuals from the association. As to the last viewpoint, versatility comprises of responding to change, yet forcefulness is tied in with causing change. Proactive isn't constrained to extra move execution conduct. Workers can assume a proactive job. Additionally, activities named as sorted out resident activities can be effectively or inactively received. Proactive conduct at work has gotten significant insightful examination consideration in the course of recent years. It has not, be that as it may, rose as an incorporated examination stream in the hierarchical conduct writing. There is no single definition, hypothesis, or measure driving this assemblage of work; rather, specialists have received various methodologies toward recognizing the forerunners and results of proactive conduct, and they have inspected them in various apparently detached writing. Proactive conduct has been conceptualized and estimated in an assortment of ways, a meaning of proactive conduct that catches the quintessence of the different methodologies must be coarse-grained.

3.4 Risk Taking

Miller and Friesen (1983) portray chance as a degree acknowledged by top administration for disappointment bringing significant expense. Covin and Slevin (1991) characterize hazard taking as "execution of investment decisions and strategic aims under uncertain conditions". As far as business enterprise, the hazard is given choices, with respect to vulnerability and business under hazard, towards another item, market, procedure, and endeavors (Cornwall



and Perlman, 1990). To business visionaries, hazard attempted by workers relies upon top organization chance craving. Under vulnerability, the board's level of tolerating disappointment affects ambitious innovator's later choices.

The resistance of vulnerability in the association. In the high hazard taking case, choices and activities are brief and fast, emerging open doors are taken and solid experimentation is liked to definite examination and investigation. In a hazard maintaining a strategic distance from atmosphere, there is a wary, reluctant mindset. Individuals attempt to be "erring on the side of caution". They choose "to rest on the issue". They set up boards and they spread themselves from multiple points of view before settling on a choice (Ekvall, G. 1996).

Risk is characterized as the likelihood of an occasion and its outcomes. Hazard the board is the act of utilizing procedures, techniques, and instruments for dealing with these dangers. Maintaining a business accompanies a wide range of kinds of hazard. A portion of these potential dangers can pulverize a business while others can cause genuine harm that can be expensive and tedious to fix. Business Risk the executives is a subset of hazard the board used to assess the business dangers included if any progressions happen in the business activities, frameworks, and procedure. It centers on recognizing what could turn out badly, assessing which dangers ought to be managed, and actualizing methodologies to manage those dangers. Organizations that have distinguished the dangers will be more ready and have a more financially savvy method of managing them. It recognizes, organizes, and addresses the hazard to limit punishments from startling occurrences, by keeping them on target. It likewise empowers an incorporated reaction to different dangers and encourages a progressively educated hazard based dynamic capacity.

In the event that and when a hazard turns into a reality, a decidedly ready business can limit the effect on income, the lost time and profitability, and the negative effect on clients. The capacity to recognize which dangers represent a danger to effective activities is a key part of vital business arranging. Business dangers are distinguished utilizing different strategies, yet each recognizing procedure depends on a thorough investigation of explicit business exercises that could introduce difficulties to the organization. It ought to be comprehended that proceeding on a similar way for a really long time is a formula for hindered development and falling behind in your industry. The key is in the language structure; facing a challenge is never going to be without peril however facing a determined challenge brings a higher possibility for remunerations. By computing the results you are reducing the expected mischief and expanding your chances of a positive result. Managers are faced with making decisions throughout their work day. Some decisions are routine or easy, while others are complicated and risky. Certain types of people enjoy taking risks, while others prefer stability and are averse to any type of risk. A risk-taker individual is somebody who dangers everything in the desire for accomplishment or acknowledges the more prominent potential for misfortune in choices and endures vulnerability. Be that as it may, it likewise has its own impediments, factors considering a human contribution in dynamic. Human judgment can now and again be founded on past understanding or sheer premonition, which could possibly work consistently. Straightforward blunders or slip-ups can flip around the business. This could likewise happen when at least two individuals are included and they neglect to go to a



similar comprehension or acknowledge a choice in a confounded perspective/scurry. These constraints block the board from having total affirmation towards the accomplishment of the element's goals.

3.5 Organization's Culture

An organization's culture defines the appropriate way to act within the organization. This culture is made up of common beliefs and values that have been established by leaders and communicated in a variety of ways that ultimately shape employee awareness, behavior and understanding. Because the sector and situation are quite different, there is no single cultural model that meets the needs of all organizations

According to (Conrad, 2012) "organizations are embedded in societies and cannot be understood outside of a society's beliefs, values, structures, practices, tension and ways of managing those tensions".. (Schein, 2004) defines organizational culture as "a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems."

3.5.1 Clan Culture

Clan culture is a type of corporate environment such as a family or group or a tribe that emphasizes the compromise and unity of aims and values. In clan culture on an organization employee's engagement and commitment are considered to promote the ability and loyalty that drive productivity and business success. According to Hill, (2013) Clan culture is based on collaboration, and organizations are more focused on employee value and satisfaction, which leads to increased organizational productivity.

A clan culture is described by benevolence, which is considered to cultivate faithfulness and pledge to the community methodology and family's drawn-out flourishing. Thus, tribe culture is related to a gathering based way to deal with the business enterprise since it emphasizes coordinated effort in the pioneering dynamic and favors compensating people when they share their insight. In view of crafted by Cameron and Quinn (2006), group culture is described by convention and faithfulness. It accentuates attachment and joint effort and urges individuals to grasp the firm's qualities and objectives.

Tribe culture is related with a significant level of trust among the various on-screen characters in an association. More elevated levels of trust will additionally prompt more grounded relational union and dependability, therefore boosting interior joint effort and information trade across various utilitarian limits, which is required to drive a firm's inventiveness. Moreover, an association's accentuation on flexibility encourages "natural structures," which speak to something contrary to robotic and stable structures (Gursoy 2016)

H_{1a}: There is a significant relation between clan culture and new product innovation.

 H_{1b} : There is a significant relation between clan culture and new organizational practice.



H_{1c:} There is a significant relation between clan culture and proactivity

H_{1d:} There is a significant relation between clan culture and risk-taking.

3.5.2 Hierarchical Culture

A hierarchical culture is an organizational typical model based on visibly well-defined corporate stages and structures. In a business environment, hierarchies hinge on structure, rules and top-down control to monitor business practices and actions. Hierarchical culture refers to the management of a consecrated culture according to a standardized structure, which makes its functioning effective and efficient. This type of culture emphases on rules, guidelines, regulations and policies and is more formalized compared to other forms of culture (Hill, 2013).

A hierarchical culture shows an accentuation on inward concentration yet varies through its attention to soundness. It can additionally be described by attention on security and routinization, and it is situated toward control, steadiness, and efficiency (Iivari and Huisman 2007). In progressive societies with brought together structures, the choice authority is normally restricted to one chief or to just a couple of supervisors (Bunderson 2003), which unequivocally influences the preparation of data in an organization.

H_{2a}: There is a significant relation between hierarchical culture and new product innovation.

 H_{2b} : There is a significant relation between hierarchical culture and new organizational practice.

H_{2c:} There is a significant relation between hierarchical culture and proactivity

H_{2d:} There is a significant relation between hierarchical culture and risk-taking.

3.5.3 Developmental Culture

Developmental culture means the capability to adapt rapidly to changing circumstances. According to Hills (2013), developmental culture is focusing more on bringing creativity and innovation in the organization. These qualities are relied upon to instigate inflexibility inside the family firm's structure and diminish hierarchical flexibility and decentralization, which are crucial attributes when family firm is little estimated, in another word when there is just a single era included. This flexibility empowers family firms to misuse enterprising chances (Zahra et al., 2008). Interestingly, centralization and formalization esteems have been found to prompt lower levels of advancement, proactivity, and hazard taking exercises. Subsequently, the various leveled culture perspectives stifle family firms in their efforts to seek after enterprising exercises (Zahra et al., 2004) when just a single era is included.

 H_{3a} : There is a significant relation between developmental culture and new product innovation.

 H_{3b} : There is a significant relation between developmental culture and new organizational practice.



H_{3c:} There is a significant relation between developmental culture and proactivity

H_{3d:} There is a significant relation between developmental culture and risk-taking.

3.5.4 Rational Culture

Rational culture is characterized by significance on steadiness and an outer concentration with yield, efficiency, and target accomplishment as its essential qualities (Iivari and Huisman 2007) Employees are urged to set troublesome objectives and endeavor to accomplish them. Worker execution is firmly observed and frequently legitimately remunerated or rebuffed. The accentuation on singular execution is thought to prompt more noteworthy accomplishment for the individual representative and, thus, more prominent accomplishment for the association.

Objective culture is firmly objective arranged, this majorly affects how the hierarchical individuals connect. Coordinated effort and close reconciliation of various divisions inside associations are considered as a focal component in encouraging EO (Morris et al. 2007). Contingent upon the hidden authoritative culture, an exceptional mix may prompt concentrated social binds with a negative impact on an association's imaginativeness (Sethi, Smith, and Park 2001).

H_{4a}: There is a significant relation between rational culture and new product innovation.

H_{4b}: There is a significant relation between rational culture and new organizational practice.

H_{4c:} There is a significant relation between rational culture and proactivity

H_{4d:} There is a significant relation between rational culture and risk-taking.

3.5.5 Open Culture

An open culture is one that even enormous associations endeavor to accomplish so as to develop. Google touts an open culture and credits the organization's prosperity to its way of life. An open culture can get dynamic reasoning, a drawn out vision, headway, and sympathy for one another, all of which can drive the association fast. An open culture, which depends on enterprising direction, acts family in real life in order to emphatically influence asset recombination forms. A pioneering direction (as far as creativity, genius animation and hazard taking) may permit a firm to beat the firmness trap of hierarchical abilities by refreshing them over and again. As nature changes, hierarchical adjustment turns out to be increasingly vital, and past examples and practices less proper.

An open culture encourages innovative activity, and along these lines decidedly influence the recombination of inside and outside assets. With stable degrees of information and shut culture, the firm can't encourage change and creates an incentive after some time.

H_{5a}: There is a significant relation between open culture and new product innovation.

H_{5b:} There is a significant relation between open culture and new organizational practice.

 $H_{5c:}$ There is a significant relation between open culture and proactivity



H_{5d:} There is a significant relation between open culture and risk-taking.

3.5.6 Flexibility/ Support or Change

Flexibility is the ability to conform to momentary change rapidly and serenely, so worker can manage unforeseen issues or errands viably. Flexibility can be characterized as the association adjusting to estimate, piece, responsiveness, and the individuals, their data sources, and costs required to accomplish hierarchical targets and objectives. Hierarchical adaptability can likewise be characterized when work completes, where it completes, and how work completes.

Flexibility mirrors an association's capacity to adjust to changing conditions and necessities and is influenced by issues, for example, preparing, the board, and re-appropriating. The ability of an association to utilize client centered individuals at each level and assemble forms easy to execute as well as adaptable enough to endure and contend successfully with an evolving domain.

Flexibility speaks to the capacity of an assembling framework to adjust to some expanded errands of creation, therefore to guarantee a financial proficiency – the compatibility time/cost ought to be ideal, with inconsequential structure changes inside a significant stretch of time. The focal job of adaptability is to allow the endurance and the accomplishment of the associations in a tempestuous condition, which is normal for the new world propensities. The more adaptable the association turns into, the better it reacts to the change. Firms, which are flexible, encourage imagination, developments, and speed, all these being remembered for the authoritative and coordination forms. In brisk change conditions, adaptability is an upper hand. An association should confront the two dangers and inalienable open doors in a dubious future and in an insecure situation. Flexibility and promptitude are the characteristics of authoritative achievement and the need should be flexible is a basic of rivalry.

 $H_{\text{6a:}}$ There is a significant relation between flexibility/ support or change and new product innovation.

 $H_{6b:}$ There is a significant relation between flexibility/ support or change and new organizational practice.

H_{6c:} There is a significant relation between flexibility/ support or change and proactivity

H_{6d:} There is a significant relation between flexibility/ support or change and risk-taking.

3.5.7 Open Communication

Open communication implies is the place workers are urged to share their considerations and concerns, both great and terrible, without the concern of counter from the board when the criticism is awful. Open communication is a significant instrument for organizations, to improve proficiency and viability among the representatives. Open communication happens when all gatherings can communicate thoughts to each other, for example, in a discussion or discussion. Open communication is a significant instrument business, colleges, charitable associations, and different associations can use to improve their gatherings' proficiency and

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adequacy. Associations that need to remain current with their structures and rehearses and those that want to consistently learn should actualize open correspondence rehearses. Open communication enables associations to improve. Data isn't sifted through a few degrees of the board, yet rather, it is separated through fewer levels. It is more straightforward from the upper levels to the lower levels and the other way around. The struggle is all the more tranquility and properly managed when all degrees of partners realize what is happening inside the association and the future course of the association's exercises.

3.5.8 External Orientation

An external cultural orientation (EO) is guided by the clients and other market or outer powers. It centers on the get-together of market or outer data to make better experiences into new and developing open doors for the firm. An external cultural orientation includes a restricted pre-investigation of the association where the hands-on work task will be completed and the division in which the association is dynamic. The goal of the outside direction is to get the data and bits of knowledge required for an effective admission meeting.

An external cultural orientation altogether develops a solid culture inside the association to propel a worker for information sharing and improving capacities to decide the open doors for the association. An external cultural orientation dependent on advertising course and the company's flexibility with the outrageous circumstance and neighboring association with the clients and adaptability by means of commonality to showcase is likewise fundamental for reasonable advancement execution. An external cultural orientation is a key factor to expand the imaginative hierarchical execution depicted the outside direction as satisfying current and future prerequisites of possible clients just as estimating the adjustment in the client's desires and sharing concerning data inside the organization.

 H_{8a} : There is a significant relation between external orientation and new product innovation.

 H_{8b} : There is a significant relation between external orientation and new organizational practice.

H_{8c:} There is a significant relation between external orientation and proactivity

H_{8d:} There is a significant relation between external orientation and risk-taking.

3.5.9 Team-work

Team work is a gathering of individuals with various abilities and various assignments, who cooperate on a typical venture, administration, or objective, with a lattice of capacities and shared help. Team work is working consciously and successfully with a gathering and doing your offer. Numerous fundamental character qualities, for example, correspondence, discretion, and lowliness, bolster an individual's capacity to take a shot at a group. Team work is more than coexisting with individuals. The way to being a decent cooperative person is the capacity to put a gathering's needs over your own.

Team work includes a lot of related exercises performed by people who team up toward a shared objective. Team work includes a lot of assignments and exercises performed by people



who work together with one another to accomplish a typical goal. That goal can be making an item, conveying assistance, composing a report, or settling on a choice. Team work contrasts from singular work in that it includes shared duty regarding the ultimate result. Team work is significant in an association since it furnishes workers with a chance to bond with each other, which improves relations among them. Team work expands the responsibility of each individual from the group, particularly when working under individuals who deserve a ton of admiration inside the business. Team work holds an exceptionally significant spot in associations, with Team work among representatives just as significant as a coordinated effort among individuals from a brandishing group.

H_{9a}: There is a significant relation between teamwork and new product innovation.

H_{9b}: There is a significant relation between teamwork and new organizational practice.

H_{9c:} There is a significant relation between teamwork and proactivity

H_{9d:} There is a significant relation between teamwork and risk-taking.

3.6 Research Model



4. Methodology

In this section we will discuss sampling, sources of data, statistical tools, framework, hypotheses, etc. related to our topic.



4.1 Sampling

Population for this research was the employees who are working in different organizations. The sample chosen for this research paper is 300 out of 320. In this research project, primary data had been collected by using survey questionnaires method. Questionnaires were distributed to the employees who are currently working in any organization.

The data gathered from the questionnaires were entered into Smart PLS where PLS Algorithm and bootstrapping has been applied to explore the effect of organizational culture on new product innovation, new organizational practice, proactivity and risk-taking of the employees working in different organizations. To conduct the responses, individuals who are working as teacher's in different privately owned institutes of Karachi are selected for the analysis of the results.

4.2 Measurement

The instruments for this research is adapted from different researches. The variables organizational culture, an external orientation, flexibility, open culture, open communication, new product innovation and new organizational practice is adapted from Laforet, S. (2016). The variable clan culture and hierarchical culture is adapted from Cherchem, N. (2017). The variable teamwork is adapted from Shahbaz, M. (2017). The variable rational culture and developmental culture is adapted from Guven, B. (2016) and the variables proactivity and risk-taking is adpted from Flatten, T. C. (2015).

5. Data Analysis

Survey questionnaires were used to gather data that is now tested by the help Smart PLS 3 software (Ringle et al., 2005). Numerous techniques including, Descriptive analysis, EFA, CFA, PLS Algorithm and SEM are conducted in order to obtain results and to finalize this research. And for the purpose of testing path co-efficient and loading Bootstrapping is one of the best techniques (Chin, 1998 and Gil-Garcia, 2008).

5.1 Data Screening

Data Screening is a process that makes sure your data is useable, reliable and valid for further processing it is done before applying different statistical techniques. Data screening includes analysis of missing values in the gathered data along with data coding and outliers among the responses collected from the respondents.

5.2 Structural Equation Modeling

Structural equation modeling (SEM) is a combination of different statistical analysis technique used to analyze the structural association of the study. It is a combination of two different analysis which is factor examination and regression investigation which is used to analyze the relation in between measure and latent variable as well as high aspects in a lower structures environment (Dijkstra & Henseler, 2015).

Partial Least Square-SEM modeling of structural equation is appropriate for the study of a compound framework used in a research (Henseler et al., 2014). However, Structural



Equation Modeling technique is used to examine the collected data (Ringle, Wende, &Becker, 2014).

5.3 Descriptive Analysis

Table 1. Respondents' Profile

Variable	Category	Frequency	Percentage
Age	20-30	221	73.7%
	31-40	67	22.3
	41-50	10	3.3
	Above 50	2	0.7
Gender	Male	187	62.3
	Female	113	37.7
Working Experience	0-5 Years	218	72.7
	6-10 Years	56	18.7
	11-15 Years	21	7
	Above 15 Years	5	1.7

To change gathered data into information that can easily be understand and help researchers to explain their findings. Descriptive analysis helps researchers to rearrangeor interpret the responses as per their results (Zikmund, 2003). Descriptive Analysis consists of mean, Median and Mode. Mean shows the average of the data. Median is the middle value of the data however mode is the values that appear the most in the gathered data.

The sample of targeted population represented responses from various individuals, out of the total 300 respondents in which 187of the respondents were males contributing about 62.3% of the total sample size whereas 113 of the females are making up to 37.7%. 221 of the employee's aged between 20-30 years making 73.7% while 67 employees are aged between 31-40 years contributing 22.3%, 10 employees are aged between 41 to 50 years comprising of 3.3% whereas employees above 50 are 2 contributing 0.7%.

The experience levels also varied throughout the responses. As divided on the basis of working experience; 218of the respondents has an experience about 0-5 years contributing 72.7%, 56 respondents has an experience of 6-10 years contributing about 18.7% whereas, 21 & 5 respondents has an experience of 11-15 years & above 50 years contributing 7% & 1.7% respectively.



 Table 2. Descriptive Statistic

Variables and	Questions	Descript	tive Stats	Confirmatory Factor Analysis			
Factors		Mean	Standard Deviation	Outer Loading	Stats	Values	
Clan Culture	The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.	0.866	0.020	0.864	42.215	0.000	
	The leadership in the organization is generally considered to exemplify mentoring, facilitating or nurturing.	0.909	0.013	0.909	70.731	0.000	
	The management style in the organization is characterized by teamwork, consensus and participation.	0.906	0.012	0.906	74.726	0.000	
	The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high.	0.915	0.012	0.915	77.012	0.000	
	The organization emphasizes human development. High trust, openness, and participation persist.	0.985	0.014	0.895	62.095	0.000	
	The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.	0.908	0.013	0.908	70.414	0.000	
Hierarchical Culture	The organization is a very controlled and structured place. Formal procedures generally govern what people do.	0.824	0.023	0.842	36.336	0.000	
	The leadership in the organization is generally considered to exemplify coordinating, organizing or smooth - running and efficiency.	0.864	0.017	0.866	51.977	0.000	
	The management style in the organization is characterized by security of employment, conformity, predictability, and stability in relationships.	0.900	0.014	0.901	65.908	0.000	
	The glue that holds the organization together is formal rules and policies. Maintaining a smoothly running organization is important.	0.875	0.021	0.876	41.760	0.000	
	The organization emphasizes permanence and stability. Efficiency, control, and smooth operations are important.	0.880	0.017	0.880	52.032	0.000	
	The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling and low-cost production are critical.	0.850	0.022	0.850	38.348	0.000	
Developmental Culture	The company I work in is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.	0.893	0.015	0.892	61.499	0.000	
	The glue that holds the company I work in together is commitment to innovation and development. There is an emphasis on being first with products and services.	0.894	0.015	0.895	60.922	0.000	
	The company I work in emphasizes growth through acquiring new resources. Acquiring new products/services to meet new challenges is important.	0.925	0.009	0.924	108.09 5	0.000	
Rational	The company I work in is a very production-oriented place. People are concerned with getting	0.885	0.019	0.885	46.560	0.000	
Culture	the job done and are not very personally involved The glue that holds the company I work in together is an emphasis on tasks and goal accomplishment. A production and achievement orientation is commonly shared.	0.924	0.011	0.923	82.608	0.000	
	The company I work in emphasizes competitive actions, outcomes, and achievement. Accomplishing measurable goals is important.	0.904	0.015	0.904	61.676	0.000	
Open	This company is flexible and adaptable in how it deals with difficulties.	0.876	0.018	0.876	48.333	0.000	



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Culture	This company approaches problems with a positive mind set Members of this company are	0.917	0.013	0.918	73.424	0.000
	always able to help each other when the need arises.					
	This company knows it has the power to solve major problems.	0.883	0.018	0.884	49.388	0.000
	This company when faced with difficulties it works together effectively	0.909	0.011	0.908	81.610	0.000
Flexibility/	Informs employees regarding technological changes on a regular basis.	0.772	0.026	0.770	29.929	0.000
Support of change	This firm is aggressively pursuing emerging business opportunities.	0.768	0.028	0.766	27.523	0.000
	Managers ask employees if there was a better way to do things.	0.826	0.026	0.825	32.079	0.000
	This firm is committed to providing training to employees.	0.867	0.018	0.867	47.319	0.000
	This firm is devoted for utilization of innovative technology.	0.879	0.015	0.879	59.050	0.000
	The firm approaches problems with a positive mindset.	0.857	0.019	0.856	45.577	0.000
	The firm knows it has the power to solve major problems.	0.845	0.024	0.844	35.004	0.000
	Informs employees regarding change thro' bulletins/teleconferences/others.	0.851	0.020	0.850	41.926	0.000
	This company aggressively pursuing emerging business opportunities.	0.840	0.020	0.39	41.409	0.000
	Makes managers/family members an accountable for change.	0.815	0.023	0.816	35.055	0.000
	This company is committed to training.	0.825	0.027	0.826	30.137	0.000
	This company is committed to utilization of technology.	0.858	0.018	0.857	46.506	0.000
	This company recognizes where its greatest assets were.	0.839	0.020	0.838	42.152	0.000
Open	We regularly talk about things that concern us.	0.846	0.023	0.846	37.077	0.000
Communication	We take time to listen to each other.	0.906	0.013	0.906	72.019	0.000
	We are frank with each other.	0.864	0.020	0.863	42.697	0.000
	There is open communication in the organization.	0.915	0.011	0.914	84.179	0.000
	Everyone has the chance to express their opinion.		0.010	0.916	94.703	0.000
	Team members maintain a high level of idea of exchange.	0.886	0.017	0.886	53.512	0.000
	Employees and functional managers are supportive to each other.	0.880	0.018	0.880	49.639	0.000
	Management encourages experimental mind-set and risk taking.	0.855	0.022	0.885	39.115	0.000
External	This firm tracks changes in its markets on a regular basis.	0.850	0.019	0.850	45.885	0.000
Orientation	This firm is preferably working with the key customers and learning from them.	0.858	0.022	0.859	38.964	0.000
	The firm values are learning from the activities of its competitors.	0.861	0.017	0.860	51.422	0.000
	This firm pays attention to building relationships with external stakeholders.	0.841	0.024	0.841	34.538	0.000
	This company values working with key customers and learning from them.	0.878	0.015	0.877	59.261	0.000
	This company values working with key suppliers and learning from them.	0.881	0.015	0.880	58.319	0.000
	This company values learning from the actions of its competitors	0.856	0.019	0.856	44.201	0.000
	The firm values are working with an external agent.	0.845	0.022	0.846	37.761	0.000
Teamwork	There is a lot of group spirit in this organization.	0.878	0.016	0.877	55.869	0.000
	Employees work well with each other.	0.892	0.013	0.891	69.420	0.000
	We all know each other well.	0.883	0.017	0.883	53.021	0.000
	We have social gatherings where everyone in the company comes together.	0.853	0.020	0.853	43.611	0.000
	Management is friendly and approachable.	0.897	0.014	0.897	64.247	0.000
	We value being a team player.	0.895	0.015	0.895	58.190	0.000
	Non-family employees are trusted as much as family employees.	0.854	0.020	0.855	42.170	0.000
	We value consensus in making key decisions.	0.836	0.027	0.837	31.092	0.000
	Creating and preserving clear and explicit practices are important to us	0.869	0.019	0.868	46.102	0.000



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New Product	In developing new products adhering to product specifications and minimizing experimentation	0.778	0.033	0.779	23.901	0.000
Innovation	is not at all important.					
	Our customers provide specifications for new products	0.848	0.018	0.848	46.131	0.000
	The company's growth rate of sales has increased as a result of introducing new product/service.	0.854	0.020	0.853	42.776	0.000
	Paying attention to product specification during product development is essential.	0.854	0.018	0.854	48.404	0.000
	Management actively responds to the adoption of "new ways of doing things" by main	0.880	0.017	0.879	51.200	0.000
	competitors.					
	We are willing to try new ways of doing things and seek unusual, novel solutions.	0.887	0.013	0.886	68.123	0.000
	We encourage people to think and behave in original and novel ways.	0.836	0.022	0.835	38.770	0.000
New Organizational	Implementation of new business concepts and practices will enhance employee's innovation skills.	0.838	0.033	0.838	38.064	0.000
Practice	Changing organizational structure is significant to promote organizational innovation.	0.858	0.015	0.858	41.379	0.000
	Introduce technology innovation programs to employees will boost the organizational innovation.	0.889	0.020	0.889	60.248	0.000
	My organization is being first in industry to develop innovative management systems.	0.827	0.018	0.827	36.703	0.000
	My organization is being first to introduce new business concepts and practices.	0.835	0.017	0.835	41.462	0.000
	Changing organizational structure significantly to promote innovation.	0.869	0.013	0.869	52.565	0.000
	Introduce innovative HRM programmes to spur creativity and innovation.	0.870	0.022	0.870	53.394	0.000
Proactivity	In general, the top managers of our organization favor a strong emphasis on research and development, technological leadership, and innovations.	0.914	0.012	0.913	77.123	0.000
	In the past five years, our organization has marketed a large variety of new lines of products or services.	0.914	0.012	0.914	78.112	0.000
	In the past five years, changes in our products or service lines have been mostly of a minor nature.	0.879	0.018	0.879	47.567	0.000
Risk-Taking	In general, the top managers of my organization have a strong propensity for high-risk projects (with chances of very high return).	0.917	0.012	0.916	77.663	0.000
	The top managers believe, owing to the nature of the environment, that bold, wide-ranging acts are necessary to achieve our organization objectives.	0.930	0.011	0.930	82.405	0.000
	When there is uncertainty, our organization typically adopts a "wait-and-see" posture in order to minimize the probability of making costly decisions.	0.876	0.020	0.875	42.858	0.000



5.3.1 Structural Equation Modeling

To test the examination speculation we have utilized the basic condition model (SEM) though the testing has been experienced Smart PLS programming. Besides, to assess the backhanded and direct impacts of the considerable number of builds the testing was finished. The utilization of (SEM) basic condition model has been seen to be the first technique that has been utilized underneath various relapse models and strategies (Barron and Kenny, 1986). It used to assess the basic connection between exogenous and endogenous factors. It incorporates factor examination and multivariate investigation. Besides, the condition of relapse focuses on disclosing each build to survey the circumstances and logical results relationship while the entirety of the components in the causal model could exhibit their circumstances and logical results at a specific time. Similarly, utilizing this model guarantees to apply the method of bootstrapping which has been seen as sensible for both little and enormous example measures and doesn't require any sort of circuitous impact (Hayes, 2013). So as to check all immediate and circuitous impacts, a procedure has been executed which is known as bootstrapping (Shrout & Bolger, 2002).

5.3.2 Measurement of Outer Model

The objective of the proportion of fit in the estimation model is to learn about the dependability and legitimacy of the instrument and to check its unwavering quality and legitimacy we play out a trial of merged legitimacy and discriminant legitimacy in programming naming Smart PLS.

	Composite Reliability
Clan Culture	0.962
Developmental Culture	0.931
External Orientation	0.957
Flexibility	0.967
Hierarchical Culture	0.948
New Organizational Practice	0.950
New Product Innovation_	0.947
Open Communication	0.966
Open Culture	0.943
Proactivity	0.930
Rational Culture	0.931

 Table 3. Composite Reliability

Reliability suggests the steadiness of poll results. For a comparative objective populace, at whatever point the examiner reutilizes the poll it will give a comparative result. It shows inside consistency and repeatability of the study are high. The essential measure for resolute quality is to keep up a vital good ways from shamefulness in research. As such, it will in general be improved by testing the interest system and examination, as is finished using various exploration and assessment strategies or various scientists. This additionally fuses the constancy and authenticity of the investigation.

Reliability of the estimation instruments was assessed utilizing composite dependability. All



the qualities were over the ordinarily utilized limit esteem for example 0.70. This is the acknowledged unwavering quality worth range. Estimation of unwavering quality should be possible by the level of consistency that lies among different factors (Hair, 2010).

5.3.3 Factor Loadings Significant

Table of descriptive statistics also mentioned loadings used in (CFA) confirmatory factor analysis. Construct with the loading of .5 are consider as strong loading variables whereas the constructs with the loading of below .5 are considered as less are better to be removed from the table.

5.3.4 Convergent Validity

For the calculation of items of individual reliability as proposed by Tabachnick and Fidell (2007) a Partial Least square Algorithm is performed. In this the range is greater than 0.5 moreover, all the items involve in this study have the loadings above 0.5 as shown in table that is measurement model results. Moreover, these techniques are the part of PLS Algorithm that help to determine the convergent validity of our measured framework (Fornell & Larcker, 1981), Cronbach's alpha, composite reliability and AVE.

As the table shows that all the values of Cronbach's alpha is greater than 0.7 (Cronbach, 1951) which indicates that all the variables are reliable, Secondly, all the variables also as per the composite reliability requirement which says that all the values must be greater than 0.7 (Nunnally, 1978). Additionally, for the purpose of analyzing the convergent validity Fornell and Larcker (1981) suggested that the value of AVE should be greater than 0.5 and table of this study represent all values which are greater than 0.5 showing that the considered scales were appropriate to explain the variable.

Constructs	Loadings	Cronbach's	Composite Reliability	Average Variance Extracted
Clan1	0.864			
Clan2	0.909	0.953	0.962	0.809
Clan3	0.906			
Clan4	0.915			
Clan5	0.895			
Clan6	0.908			
Developmental1	0.892			
Developmental2	0.895	0.888	0.931	0.817
Developmental3	0.924			
ExternalOrien1	0.850			
ExternalOrien2	0.859	0.949	0.957	0.737
ExternalOrien3	0.860			
ExternalOrien4	0.841			
ExternalOrien5	0.877			
ExternalOrien6	0.880			
ExternalOrien7	0.856			
ExternalOrien8	0.846			
Flexibility1	0.770	0.963	0.967	0.696
Flexibility10	0.816			
Flexibility11	0.826			

Table 4. Convergent Validity



Flexibility12	0.857			
Flexibility13	0.838			
Flexibility2	0.766			
Flexibility3	0.825			
Flexibility4	0.867			
Flexibility5	0.879			
Flexibility6	0.856			
Flexibility7	0.844			
Flexibility8	0.850			
Flexibility9	0.839			
Hierarchical1	0.824	0.934	0.948	0.751
Hierarchical2	0.866			
Hierarchical3	0.901			
Hierarchical4	0.876			
Hierarchical5	0.880			
Hierarchical6	0.850			
NewOrganiz1	0.838	0.939	0.950	0.732
NewOrganiz2	0.858			
NewOrganiz3	0.889			
NewOrganiz4	0.827			
NewOrganiz5	0.835			
NewOrganiz6	0.869			
NewOrganiz7	0.870			
NewProduct1	0.779	0.935	0.947	0.720
NewProduct2	0.848			
NewProduct3	0.853			
NewProduct4	0.854			
NewProduct5	0.879			
NewProduct6	0.886			
NewProduct7	0.835			
OpenC1	0.876	0.960	0.966	0.781
OpenC2	0.918			
OpenC3	0.884			
OpenC4	0.908			
OpenCom1	0.846	0.919	0.943	0.804
OpenCom2	0.906			
OpenCom3	0.863			
OpenCom4	0.914			
OpenCom5	0.916			
OpenCom6	0.886			
OpenCom7	0.880			
OpenCom8	0.855			
Proactivity1	0.913	0.887	0.930	0.815
Proactivity2	0.914			
Proactivity3	0.879			
Rational1	0.885	0.888	0.931	0.817
Rational2	0.923			
Rational3	0.904			
Risk1	0.916	0.892	0.933	0.823
Risk2	0.930			
Risk3	0.875			
TeamWork1	0.877	0.961	0.966	0.762
TeamWork2	0.891			
TeamWork3	0.883			



TeamWork4	0.853
TeamWork5	0.897
TeamWork6	0.895
TeamWork7	0.855
TeamWork8	0.837
TeamWork9	0.868

In this model the value range of Cronbach alpha is from 0.961 to 0.926 as shown in the above table that predicts the data is reliable to perform further tests. The connection of each variable to the primary factor is articulated is predicted by the factor loading. Therefore it shows that scales used for variables has convergent validity.

5.3.5 Discriminant Validity

This technique is implied to examine the difference between variables of the research framework.

					-		_			10		10	10
	1	2	3	4	5	6	1	8	9	10	11	12	13
Clan Culture 1	0.9												
Developmental Culture 2	0.551	0.904											
External Orientation 3	0.38	0.381	0.859										
Flexibility 4	0.547	0.38	0.629	0.834									
Hierarchical Culture 5	0.215	0.219	0.465	0.561	0.867								
New Organizational Practice 6	0.547	0.541	0.252	0.372	0.279	0.855							
New Product Innovation 7	0.321	0.393	0.628	0.55	0.516	0.245	0.849						
Open Communication 8	0.51	0.604	0.209	0.219	0.358	0.609	0.301	0.884					
Open Culture 9	0.568	0.557	0.281	0.25	0.367	0.522	0.408	0.706	0.897				
Proactivity 10	0.303	0.402	0.588	0.421	0.443	0.231	0.557	0.373	0.39	0.903			
Rational Culture 11	0.342	0.357	0.511	0.476	0.457	0.23	0.547	0.358	0.291	0.497	0.904		
Risk-Taking 12	0.443	0.546	0.377	0.383	0.289	0.604	0.265	0.496	0.404	0.354	0.321	0.907	
Team Work 13	0.528	0.531	0.193	0.353	0.371	0.588	0.297	0.728	0.656	0.3	0.319	0.498	0.873

Table 5. Fornell and Larcker Criteria

Fornell and Larcker Table, determines the extent of disparities between the overlying construct. Fornell and Larcker Table reveals the outcome of Discriminant validity as it exposes that how much any single factor is not the same as alternate factors in the model. Fornell and Larcker (1981) developed the test in which the mix affiliation between variables attained were compared and the transform eliminated estimations for the constructs building up every pair equivalent. According to Jaw (1998), the Discriminant validity is supported among variables which have an AVE more prominent than 0.5 entailing that no less than partial of inference variation was trapped by the variables.



	1	2	3	4	5	6	7	8	9	10	11	12
Clan Culture												
Developmental Culture	0.595											
External Orientation	0.398	0.412										
Flexibility	0.569	0.408	0.656									
Hierarchical Culture	0.225	0.239	0.492	0.589								
New Organizational Practice	0.577	0.587	0.266	0.389	0.297							
New Product Innovation	0.339	0.428	0.666	0.577	0.552	0.258						
Open Communication	0.533	0.652	0.217	0.224	0.377	0.639	0.316					
Open Culture	0.607	0.612	0.298	0.263	0.394	0.558	0.438	0.749				
Proactivity	0.326	0.448	0.637	0.448	0.481	0.251	0.607	0.401	0.430			
Rational Culture	0.369	0.397	0.555	0.510	0.500	0.250	0.597	0.387	0.320	0.556		
Risk-Taking	0.479	0.610	0.406	0.409	0.315	0.658	0.289	0.534	0.444	0.395	0.358	
Team Work	0.551	0.572	0.198	0.363	0.389	0.616	0.310	0.756	0.696	0.318	0.340	0.534

Table 6. Heterotrait-Monotrait Ratio (HTMT)

Another method for checking the Discriminant validity is by using Heterotrait-Monotrait (HTMT) ratio of correlation. Henseler et al. (2015) anticipated the better functioning of this technique by Monte Carlo simulation study and established that HTMT is able to achieve higher specificity and sensitivity. HTMT values near to 1 show a lack of Discriminant validity. If the value of the HTMT is higher, this can be concluded that the data lack Discriminant validity.

HTMT values confirm the Discriminant validity of the model because all of the values of the variables are < 0.9 and according to Henseler et al. (2015) it should be < 0.9.

5.3.6 Blind Folding

A structural model analyzes the statistics concerning some endogenous latent variables to other latent variables. The most convenient feature in Partial Least Squares (PLS) method is that it can examine structural model and hypothesis through calculating path coefficients (Cohen, 1988). The hypotheses were tested by running a bootstrapping procedure as suggested by F.Hair Jr **et al.**, (2014).

Table 7. Blind Folding

	R2	Q2
New Organizational Practice	0.497	0.32
New Product Innovation	0.547	0.65
Proactivity	0.460	0.44
Risk-Taking	0.408	0.43

To analyze the connection between variables the values of R2 and Q2 are examined. The value less than 0.25 shows weak connection, value less than 0.50 shows moderate connection (Hair, Ringle & Sarstedt, 2011) CMS has a strong connection shows by the value of R2 (Hair 2011), Q2 should be greater than zero which shows the overall model is fit (Stone & Geisser,



1974). Q2 value of the variable define that variables are the higher predictor for the model. The result of Q2 in above table is 0.595 which is greater than zero that demonstrates that the overall model is fit and recommended further.

5.4 Structural Model Analysis

Chin's (1998) recommended that for the procedure of bootstrapping 1,000 subsamples were executed to determine the statistical significance of all proposed paths coefficients.

5.4.1 Hypothesis Testing

In PLS-SEM, bootstrapping is one of the key steps, which gives the information of consistency of factor rough approximation. Sub-tests are drawn wherever from the primary model including replacement, in this procedure (Hair, Matthews, Matthews, and Sarstedt, 2017). Bootstrapping gives data on the solidness of the coefficient gauge. In this procedure, an enormous number of sub-tests are drawn from the first example with a substitution (Hair et al. 2016). In the wake of running the bootstrap schedule, SmartPLS shows the t-values for basic model appraisals got from the bootstrapping methodology. The aftereffects of way coefficients for all the speculations appear in the accompanying table. The t-esteem more prominent than 1.96 (p < .005) shows that the relationship is noteworthy at 95% certainty level ($\alpha = 0.05$). Ways indicating whether the connection among estimated and idle factors are noteworthy or not.

The value of the mention table represented the supported and not supported hypothesis of the research paper.

Hypothesis	Relationship	Original Sample	T-Statistic	P-Value	Support
H _{1a}	Clan Culture -> New Organizational Practice	0.173	1.661	0.097	Supported
H _{1b}	Clan Culture -> New Product Innovation_	-0.156	1.712	0.087	Supported
H _{1c}	Clan Culture -> Proactivity	-0.102	1.102	0.271	Not-supported
H _{1d}	Clan Culture -> Risk-Taking	0.061	0.558	0.577	Not-supported
H _{2a}	Hierarchical Culture -> New Organizational Practice	0.008	0.098	0.922	Not-supported
H_{2b}	Hierarchical Culture -> New Product Innovation_	0.112	1.493	0.136	Not-supported
H _{2c}	Hierarchical Culture -> Proactivity	0.098	1.141	0.254	Not-supported
H_{2d}	Hierarchical Culture -> Risk-Taking	0.012	0.135	0.893	Not-supported
H _{3a}	Developmental Culture -> New Organizational Practice	0.153	1.605	0.109	Not-supported
H _{3b}	Developmental Culture -> New Product Innovation	0.091	1.013	0.311	Not-supported
H _{3c}	Developmental Culture -> Proactivity	0.095	1.189	0.235	Not-supported
H _{3d}	Developmental Culture -> Risk-Taking	0.270	2.970	0.003	Supported
H _{4a}	Rational Culture -> New Organizational Practice	-0.122	1.250	0.212	Not-supported
H_{4b}	Rational Culture -> New Product Innovation_	0.222	2.597	0.010	Supported
H_{4c}	Rational Culture -> Proactivity	0.181	2.134	0.033	Supported
H_{4d}	Rational Culture -> Risk-Taking	-0.014	0.169	0.866	Not-supported
H _{5a}	Open Culture -> New Organizational Practice	0.005	0.045	0.964	Not-supported
H _{5b}	Open Culture -> New Product Innovation_	0.282	2.610	0.009	Supported
H _{5c}	Open Culture -> Proactivity	0.144	1.437	0.151	Not-supported
H _{5d}	Open Culture -> Risk-Taking	-0.105	0.978	0.328	Not-supported
H _{6a}	Flexibility -> New Organizational Practice	0.146	1.428	0.154	Not-supported
H _{6b}	Flexibility -> New Product Innovation	0.202	2.263	0.024	Supported
H _{6c}	Flexibility -> Proactivity	0.010	0.102	0.919	Not-supported

Table 8. Path Coefficients and Bootstrap Values Hypothesis Summary



H _{6d}	Flexibility -> Risk-Taking	0.052	0.489	0.625	Not-supported
H_{7a}	Open Communication -> New Organizational Practice	0.309	2.570	0.010	Supported
H_{7b}	Open Communication -> New Product Innovation_	-0.065	0.492	0.623	Not-supported
H _{7c}	Open Communication -> Proactivity	0.119	1.079	0.281	Not-supported
H_{7d}	Open Communication -> Risk-Taking	0.174	1.495	0.136	Not-supported
H_{8a}	External Orientation -> New Organizational Practice	-0.005	0.046	0.963	Not-supported
H_{8b}	External Orientation -> New Product Innovation	0.304	3.360	0.001	Supported
H _{8c}	External Orientation -> Proactivity	0.391	4.765	0.000	Supported
H_{8d}	External Orientation -> Risk-Taking	0.171	1.843	0.066	Supported
H _{9a}	Team Work -> New Organizational Practice	0.173	1.348	0.178	Not-supported
H_{9b}	Team Work -> New Product Innovation_	-0.050	0.403	0.687	Not-supported
H _{9c}	Team Work -> Proactivity	-0.051	0.442	0.658	Not-supported
H_{9d}	Team Work -> Risk-Taking	0.213	1.767	0.078	Supported

The hypotheses between the independent variables and dependent variables were evaluated on the foundation of significance (p < 0.1), sign and size (Wixom & Watson, 2001). The results showed that new product innovation was positively influenced by Rational Culture, Open Culture, Flexibility, and External Orientation. And negatively affected by Clan Culture. Similarly, risk taking ability is positively influenced by Developmental Culture, External Orientation, and Team Work. Proactivity is positively affected by Rational Culture, and External Orientation. Unlike Innovation, which was negatively affected by Clan culture, New Organizational Practice got positively affected along with Open Communication. An approach calculates the indirect effect by multiplying two regression coefficients (Sobel, 1982).

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6. Conclusion

The objective of this research was to identify the impact of organizational culture on new product innovation, organizational practice, proactivity and risk taking. To achieve the objective of study instrument for organizational culture are; clan culture, hieratical culture, developmental culture, rational culture, open culture, flexibility/ support to change, open communication, external orientation and teamwork are derived from different studies done before in different time frame and different countries.

The sample chosen for this research paper is 300 out of 320. In this research project, primary data had been collected by using survey questionnaires method. The discriminant validity and reliability of data was confirmed to validate the authenticity of the instrument. The data was screened through different method. The reliability, validity and SEM analysis were tested through Smart PLS 3. The reliability and validity of indicator was check through Log Algorithm path and for SEM analysis bootstrapping sample were used and for predictive



relevance the option of blindfolding is used.

The present study contributes to the literature on Organizational culture to the new innovation process, organizational practice, pro-activity and risk-taking in different way. First, our results show that clan culture of any organization will definitely effect the new organizational practice and new product innovation of an organization because clan culture elaborates the unity, togetherness and whenever an organization have a clan culture it will deliver good results.

But on the other hand the strange result was seen that the hierarchical culture do not support any of our dependent variables. It may be due to the dominancy of the upper management on the employees. And also there is lack of communication between the departments or rivalry among the departments which undeniably effect the organization culture and fail to contribute in positive results. Also Developmental culture and team work only support the risk-taking by organization. It may be because whenever an organization decide to take risk for any project or any idea or any innovation, it require a culture within the organization which has the capability to work for the development and work within a team to achieve positive results. Also organizational factors like external orientation, flexibility, open communication, open culture and rational culture has significant effect on the new product innovation. Because whenever an organization provide free culture to the employees it absolutely provide positive results in future and in innovation of product.

A lot of researches were conducted on organizational culture and entrepreneurial orientation but no one has ever conduct a comparative or nexus research in which organizational culture was measured by teamwork, external orientation, developmental culture, rational culture, clan culture, open culture, open communication, flexibility/ support to change, hierarchical culture (altogether) and entrepreneurial orientation was measured by innovativeness, risk-taking, new organizational practice and proactiveness (altogether). This study has been positively contribute in this era because the working employees has giving their opinion through questionnaire and the conclusion support the organizations for better innovation of product, for new organizational practice, for proactive behavior and for taking risk.

6.1 Limitations

The research is purely based on employees who are currently working in any organization so to distribute and collect questionnaire in due time was a tough duty, and this gives a negative impact on the data gathering and on the subject of research. Due to the limitation of time this study will have some lacking in context. Also facing trouble to get to the organization's inside data.

Moreover, the research work is conducted for the employees who are currently working in any organization because the data is easily accessible. In this research we did not analyze any specific sector. In order to get accurate result, we randomly select employees. The findings of study are based on the test results which have been applied on the questionnaires filled online and manually as well. The research has not been applied on any organization and has been done for academic purpose.



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