Journal of Economics, Finance and Management Studies

ISSN (print): 2644-0490, ISSN (online): 2644-0504

Volume 08 Issue 04 April 2025

Article DOI: 10.47191/jefms/v8-i4-50, Impact Factor: 8.317

Page No: 2525-2538

Enhancing Corporate Entrepreneurship Through Leadership Styles: The Role of Organizational Commitment and Employee Engagement as Mediators

Samuel Otoo[1], Joseph Yeboah Gyamfi[2], Patrick Joel Turkson[3]

[1]School of Business Administration, Accra Institute of Technology University/Open University Malaysia (OUM) Accra, Ghana.

[2,3]Department of Marketing, Supply Chain and Procurement, Methodist University Ghana, Accra, Ghana.

ABSTRACT: In an increasingly dynamic business environment, leadership plays a pivotal role in fostering innovation and entrepreneurial initiatives within organizations. This study investigates how leadership styles influence corporate entrepreneurship within Ghana's financial sector, focusing on the mediating roles of organizational commitment and employee engagement. The research aims to understand how transformational, transactional, and laissez-faire leadership styles contribute to entrepreneurial activities by fostering organizational commitment and employee engagement. A quantitative research approach was employed, using a mono-method survey design. Stratified sampling targeted managerial and non-managerial staff of Ghana Commercial Bank, yielding 378 valid responses. Structural Equation Modelling (SEM) was used to analyze direct and mediated relationships among leadership styles, organizational commitment, employee engagement, and corporate entrepreneurship. The findings reveal a positive relationship between leadership styles and corporate entrepreneurship. Transformational leadership showed a direct but modest effect on corporate entrepreneurship. Organizational commitment did not mediate the leadership-entrepreneurship link significantly. However, employee engagement emerged as a marginally significant mediator, underscoring its importance in fostering entrepreneurial activities. Leadership styles, particularly transformational leadership, play a critical role in driving corporate entrepreneurship. The findings emphasize the need for organizations to prioritize employee engagement strategies to enhance entrepreneurial outcomes. The study highlights the limited mediation of organizational commitment, suggesting other potential mediators for future research.

KEYWORDS: Corporate entrepreneurship, Leadership styles, Organizational commitment, Employee engagement, Transformational leadership.

INTRODUCTION

In today's rapidly evolving and highly competitive business environment, organizations are under increasing pressure to innovate, adapt, and remain agile in order to sustain growth and maintain a competitive edge (Arfi & Hikkerova, 2021). Corporate entrepreneurship, also known as intrapreneurship, is recognized as a critical factor that enables organizations to respond proactively to changes in the market and the business landscape (Adim & Poi, 2021). Corporate entrepreneurship involves activities and initiatives within established organizations that encourage innovation, the creation of new products and services, and the pursuit of new market opportunities (Shin & Cho, 2020). While fostering corporate entrepreneurship is crucial for the long-term survival and success of organizations, achieving this goal is not without challenges and one of the most significant factors influencing the success of corporate entrepreneurship is leadership (Shin & Cho, 2020). Against this backdrop, this study will look at enhancing corporate entrepreneurship through leadership styles and the role of organizational commitment and employee engagement as mediators

Leadership styles within an organization have a profound impact on employees' behaviours, attitudes, and motivation (Kalkan et al., 2020). The way leaders lead, inspire, and manage their teams can either foster or hinder a culture of corporate entrepreneurship. Different leadership styles, such as transformational, transactional, and laissez-faire leadership, have varying degrees of effectiveness in encouraging entrepreneurial behavior and innovative thinking among employees (Mwesigwa et al., 2020). Transformational leadership, for instance, is widely recognized as one of the most effective leadership styles for fostering

corporate entrepreneurship. This leadership style is characterized by the ability to inspire and motivate employees to go beyond their self-interests, think creatively, and take risks, which are essential ingredients for entrepreneurship (Aljileedi & Amoozegar, 2023). In contrast, transactional leadership focuses more on maintaining order, setting clear expectations, and providing rewards for meeting performance targets, which may not always create the environment needed for entrepreneurial initiatives to thrive (Donkor et al., 2021).

In the context of corporate entrepreneurship, leadership does not operate in isolation. Several factors can mediate the relationship between leadership styles and corporate entrepreneurship, influencing how leadership impacts employees' willingness to engage in entrepreneurial activities (Adomako & Nguyen, 2024). Two of the most significant factors in this regard are organizational commitment and employee engagement. Organizational commitment refers to the emotional attachment employees have toward their organization, which influences their level of loyalty, motivation, and willingness to contribute to organizational goals (Hadi & Tentama, 2020). On the other hand, employee engagement refers to the extent to which employees are emotionally invested in their work and the organization, leading to higher levels of discretionary effort, creativity, and innovative thinking (Kulkarni & Appasaba, 2022; Mustafa et al., 2023; Sarwar et al., 2020). Both organizational commitment and employee engagement play a crucial role in shaping employees' attitudes toward corporate entrepreneurship, as they determine the level of dedication and enthusiasm that employees bring to their work (Chua & Ayoko, 2021a; Galanti et al., 2021a).

The connection between leadership styles, organizational commitment, and employee engagement creates a dynamic environment in which corporate entrepreneurship can either flourish or stagnate. Transformational leaders, who inspire and challenge their teams, tend to foster higher levels of organizational commitment and employee engagement, which in turn facilitates greater entrepreneurial activity (Furuoka & Idris, 2021; Islam et al., 2020). Conversely, leadership styles that do not promote emotional connections or intrinsic motivation among employees may struggle to cultivate the levels of commitment and engagement necessary for corporate entrepreneurship to thrive (Alrowwad et al., 2020; Bakker et al., 2023a). Thus, understanding the mediating roles of organizational commitment and employee engagement in the relationship between leadership styles and corporate entrepreneurship is essential for organizations seeking to enhance their entrepreneurial activities (Galanti et al., 2021b; Nyoman & Sutaguna, 2022; Udin, 2020).

The concept of corporate entrepreneurship is particularly relevant in organizations that face significant external pressures, such as rapidly changing customer demands, technological disruptions, and the need for continuous innovation (García & Herrero, 2022). In such environments, employees who are committed to the organization and highly engaged in their work are more likely to take initiative, propose new ideas, and seek out opportunities for innovation (Inegbedion & Olalekan, 2022). However, it is not enough for employees to simply be committed and engaged; these factors must be effectively harnessed and directed toward entrepreneurial goals. This is where leadership styles come into play. The leadership style adopted by an organization's leaders determines the overall organizational culture, the values that are prioritized, and the behaviours that are encouraged (Adim & Poi, 2021). For example, transformational leaders tend to create an environment that fosters risk-taking, experimentation, and innovation, which are essential for corporate entrepreneurship (Bakker et al., 2023b). In contrast, transactional leaders may focus more on maintaining stability and adhering to established procedures, which can stifle creativity and limit entrepreneurial efforts (Changar & Atan, 2021).

One of the most critical aspects of this relationship is how leadership styles influence employees' organizational commitment and engagement. Transformational leaders, by fostering a sense of trust, respect, and shared purpose, are likely to enhance employees' emotional attachment to the organization, thereby increasing organizational commitment (Asbari, 2020; Hennayake & Maldeniya, 2021). Furthermore, by providing employees with opportunities for growth, development, and autonomy, transformational leaders can increase employee engagement, ensuring that employees are emotionally invested in their work and willing to contribute to the organization's entrepreneurial endeavours (Ogonegbu & Kyongo, 2024; Xie, 2020). Conversely, a lack of effective leadership can result in low levels of commitment and engagement, thereby hindering employees' willingness to pursue entrepreneurial opportunities or embrace innovative thinking (Akpa et al., 2021).

The importance of organizational commitment and employee engagement as mediators in the leadership-entrepreneurship relationship cannot be overstated. Research has shown that high levels of organizational commitment lead to lower turnover, greater job satisfaction, and improved overall performance, which are crucial for sustaining entrepreneurial efforts within an organization (Sungu et al., 2019). When employees are committed to the organization, they are more likely to stay with the company long-term, reducing the costs and disruptions associated with high employee turnover (Burch-Parker, 2021). Additionally, committed employees are more likely to invest extra effort into their work, seek out innovative solutions, and support the organization's entrepreneurial goals (Suzuki & Hur, 2020). Similarly, employee engagement has been shown to be directly linked to increased creativity, problem-solving, and proactive behavior, all of which are essential for corporate entrepreneurship

(Chua & Ayoko, 2021b). Engaged employees are more likely to go beyond their job descriptions, contributing to the development of new ideas, products, and services.

Numerous studies have examined the role of leadership styles in fostering corporate entrepreneurship. For instance, Verma and Mehta (2020) conducted a comprehensive literature review, asserting that transformational, charismatic, and positive leadership styles significantly influence corporate entrepreneurship. Similarly, Soomro and Shah (2022) investigated the relationship between transformational leadership and corporate entrepreneurship in the context of SMEs in Pakistan. Pan et al. (2021) further explored the role of transformational leadership in China. However, while these studies have made significant contributions, they have largely overlooked the potential mediating roles of organizational commitment and employee engagement in this relationship. Also, these studies did not investigate how leadership styles and employee engagement can interact to boost innovation within organizations. Neither did the studies focus on how leadership can drive corporate entrepreneurship through mediators like employee engagement. This leaves a crucial gap in understanding how leadership styles can enhance corporate entrepreneurship by fostering organizational commitment and employee engagement. Therefore, this study seeks to address this gap by investigating how leadership styles, through organizational commitment and employee engagement, contribute to corporate entrepreneurship, offering valuable insights into how these mediators can drive entrepreneurial behaviors within organizations.

II. LITERATURE REVIEW

Social Exchange Theory

SET, originally developed by Blau (1964), posits that social relationships are based on the exchange of benefits between parties. In the context of organizations, SET suggests that employees are more likely to engage in positive behaviors, such as corporate entrepreneurship, when they perceive a fair exchange of benefits with their organization (Krishnan et al., 2020). This exchange can be influenced by factors such as leadership styles and organizational culture, which shape employees' perceptions of support, trust, and fairness (Ahmad et al., 2023).

Organizational Support Theory

OST, developed by Eisenberger et al. (1986), posits that employees form general perceptions about the extent to which their organization values their contributions and cares about their well-being. These perceptions of organizational support can influence employees' attitudes, behaviors, and performance. In the context of corporate entrepreneurship, OST suggests that employees who perceive high levels of organizational support (e.g., through supportive leadership and a conducive organizational culture) are more likely to engage in entrepreneurial activities.

III. CONCEPTUAL FRAMEWORK AND HYPOTHESIS

Effect of Leadership Styles on Corporate Entrepreneurship

The role of leadership styles in promoting corporate entrepreneurship (CE) has been widely recognized across multiple studies. Transformational leadership (TL), in particular, is seen as a significant driver of CE by fostering an environment that encourages innovation, proactivity, and renewal (Soomro & Shah, 2022). The findings of Verma and Mehta (2020) further corroborate this, showing that positive leadership traits, including transformational leadership, have a strong impact on CE, especially in terms of enhancing factors such as creativity and entrepreneurship within firms. Additionally, Pan et al. (2021) suggest that CEO transformational leadership influences CE through organizational ambidexterity, with environmental factors and team dynamics acting as important moderators. On the other hand, Arfi and Hikkerova (2021) highlight the role of digital platforms in fostering corporate entrepreneurship, especially in terms of product innovation, suggesting that the ability to share knowledge and resources through digital means supports entrepreneurial initiatives. Collectively, these studies indicate that leadership styles significantly contribute to the development of corporate entrepreneurship, creating an innovative and proactive environment that drives organizational success. Therefore, based on the literature reviewed, the following hypothesis is proposed:

H_1: Leadership style has a positive effect on corporate entrepreneurship.

Influence of Organizational Commitment on Leadership Style and Corporate Entrepreneurship

The relationship between leadership styles, organizational commitment, and corporate entrepreneurship has been explored in various contexts, with findings consistently supporting the influence of leadership on commitment and subsequent entrepreneurial behaviours. Mwesigwa et al. (2020) demonstrate that leadership styles in Ugandan public universities significantly affect organizational commitment, with job satisfaction acting as a partial mediator. This aligns with Purwanto et al., (2021), who show that transformational leadership and organizational commitment positively influence behaviours that drive organizational citizenship and, by extension, corporate entrepreneurship. Additionally, Purwanto (2021) highlights that job satisfaction mediates

the relationship between transformational leadership and organizational commitment, which, in turn, influences overall organizational effectiveness. Similarly, Kim and Beehr, (2020) suggest that empowering leadership fosters affective organizational commitment, which can mitigate withdrawal behaviours like absenteeism and turnover, thereby enhancing organizational stability and fostering a climate conducive to corporate entrepreneurship. Together, these studies imply that leadership not only directly influences organizational commitment but that commitment itself plays a crucial mediating role in translating leadership into entrepreneurial outcomes. Thus, the following hypothesis is proposed:

H_2: Organizational commitment mediates the relationship between leadership style and corporate entrepreneurship.

Employee Engagement, Leadership Styles and Corporate Entrepreneurship

The role of leadership styles in enhancing employee engagement and its subsequent impact on work outcomes, including corporate entrepreneurship, has been explored across various studies. Gemedaa and Leeb (2020) found that transformational leadership positively influences work engagement and innovative behavior, while transactional leadership enhances task performance. Work engagement itself partially mediated the relationship between leadership styles and work outcomes, emphasizing the critical role engagement plays in translating leadership into organizational performance. Similarly, Riyanto et al. (2021) demonstrated that employee engagement mediates the relationship between motivation, job satisfaction, and performance, further solidifying the role of engagement as a bridge between leadership behaviors and organizational results. Abdullahi et al. (2021) identified employee engagement as a mediator between organizational culture and employee performance, suggesting that engagement is pivotal in fostering a productive and entrepreneurial environment. Rabiul and Yean (2021) extended this by showing that motivating language, influenced by leadership styles, mediates the relationship between leadership and work engagement in the hotel industry. These studies collectively indicate that employee engagement is a key mediator in the relationship between leadership styles and the development of corporate entrepreneurship, as it helps transform leadership actions into tangible outcomes. Thus, the following hypothesis is proposed:

H_3: Employee engagement mediates the relationship between leader style and corporate entrepreneurship

Conceptual Framework

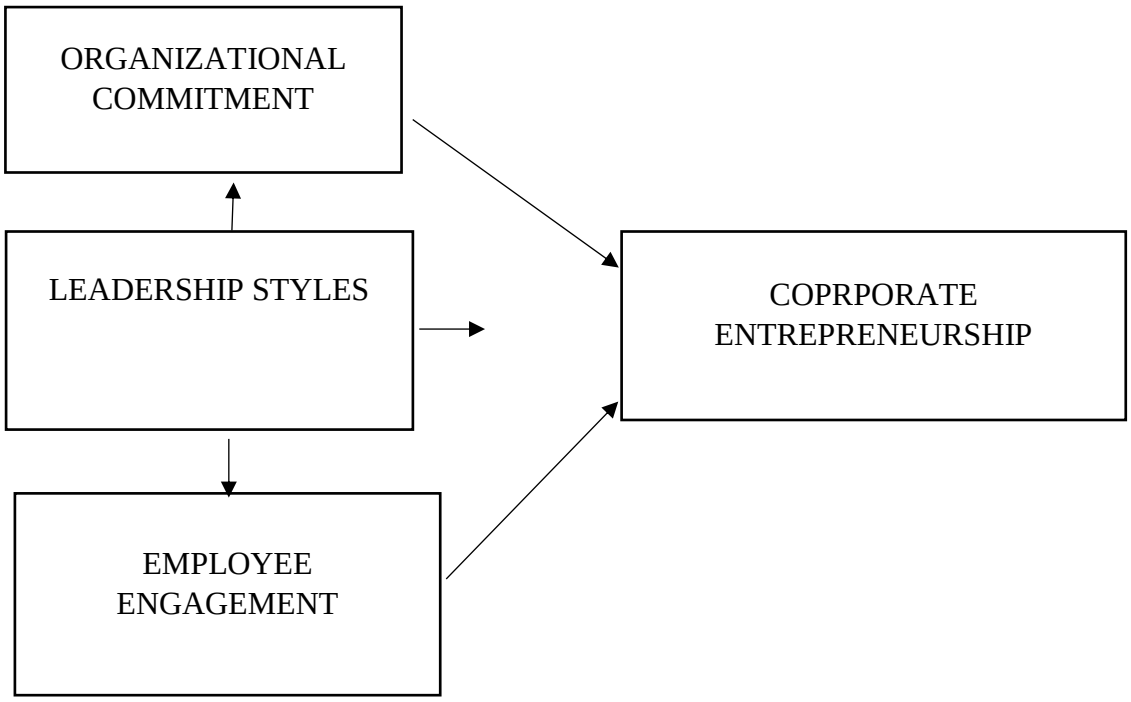

Figure1: Conceptual Framework

IV. RESEARCH METHODS

Research Approach and Design

The study is based on a quantitative research approach and employs an explanatory research strategy, as the aim is to investigate the effect of leadership style and organizational culture on corporate entrepreneurship in financial institutions in Ghana,

specifically Ghana Commercial Bank. The study also uses a mono-method quantitative design, with data collected using a quantitative survey questionnaire (Saunders & Tosey, 2013; Ikart, 2019; Creswell, 2014b).

Population Sample

The general population of the study is all financial institutions in Ghana. The target population consists of employees of Ghana Commercial Bank (GCB). The accessible population comprises employees of GCB who are involved in leadership roles or have knowledge about the bank's organizational culture and corporate entrepreneurship activities. A sample size of 385 employees was estimated using the Cochran sample size formula, based on a 95% confidence level and ±5% precision. The resulting sample size is demonstrated using the Cochran sample size formula

$$n = \frac{Z^2 pq}{e^2} = \frac{(1.96)^2 (.5)(.5)}{(.05)^2} = 385$$

However, while 385 questionnaires were distributed, only a feedback from 378 was received.

Sampling Technique

Stratified sampling technique with equal proportion and convenience sampling techniques were used to select the participants of the study. First of all, the participants were stratified into two – managerial and non-managerial staff, and the convenience sampling technique was used to select the participants in each of the stratum.

Data Sources

The study used primary data collected through a survey questionnaire administered to the selected sample of GCB employees.

Research Instrument

A questionnaire designed by the researcher through the review of literature was used to collect data. The questionnaire consists of eight sections (A) background information of the participants, (B) leadership styles, (C) organizational culture, (D) organizational commitment, (E) employee engagement, (F) organizational size, (G) access to finance, and (H) corporate entrepreneurship. The response format, except the background information, was based on a five point Likert Scale, with 1 being strongly disagree, 2 being disagree, 3 being neutral, 4 being agree, and 5 being strongly agree.

Validity and Reliability

Criterion, face, and content validities were used to ensure the questionnaire measures what it is supposed to measure. Exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) was used to test the internal structure of the questionnaire. Other measures such as correlation coefficients, Fornell-Larcker criterion was computed to assess the construct validity of the questionnaire. Internal consistency and reliability was assessed by Cronbach's α, composite reliability (CR), and average variance extracted (AVE) for all latent variables.

Data Analysis

The study employed structural equation modeling (SEM) to test the hypothesized relationships between leadership styles, organizational culture, corporate entrepreneurship, and the mediating and moderating variables. The study used the maximum likelihood estimation (MLE) technique to estimate the parameters of the structural equation model. MLE is a widely used estimation method in SEM due to its robustness and ability to provide unbiased, consistent, and efficient estimates when the data are normally distributed (Hair et al., 2019). The data for the study was processed using the IBM SPSS program version 26 and AMOS Version 21. Descriptive statistics (mean, standard deviation, minimum and maximum values, frequencies, and percentages) and inferential analyses (Pearson correlation) were conducted. Structural equation modeling (SEM) – Covariance-based SEM, was used to answer the research questions. Path analysis of SEM was examined to estimate the significance and magnitude of proposed relationships between leadership style, organizational culture, and corporate entrepreneurship.

V. RESULT

Demographic Characteristics

Out of 378 participants, 286 (75.7%) were female and 92 (24.3%) were male. This gender distribution shows a notable imbalance, with females representing just over three-quarters of the sample population. The valid percentages match the overall percentages, and the cumulative percentage reaches 100% with the inclusion of both genders. This data indicates a significantly higher participation rate among women compared to men in this survey. As shown in the table, majority of the participants (52.9%) held a Bachelor's degree, followed by those with a Master's degree (28.0%). Participants with a Diploma or Professional degree

comprised 18.0% of the sample, while only a small proportion (1.1%) held a Doctorate degree. These findings suggest that the study sample was predominantly composed of individuals with higher education, as 80.9% of the participants had either a Bachelor's or a Master's degree. The cumulative percent column indicates that 98.9% of the participants had an educational level of a Master's degree or below, with only 1.1% holding a Doctorate degree.

Table 1: Gender and Educational Level Distribution of Participants

Variable	Item	Frequency	Percent (%)
Gender	Male	92	24.3%
	Female	286	75.7%
	Total	***378***	***100.0%***
Educational level	Diploma/Professional	68	18.0%
	Bachelor	200	52.9%
	Masters	106	28.0%
	Doctorate	4	1.1%

Descriptive Statistics and Normality Test

Table 2 presents the descriptive statistics, including the mean, standard deviation, minimum, and maximum values, as well as the skewness and kurtosis values for each variable in the study.

Leadership styles are divided into three dimensions: transformational (mean = 2.88), transactional (mean = 2.21), and laissez-faire (mean = 2.77). The data for these dimensions is normally distributed. Organizational commitment, measured by affective (mean = 2.39), continuance (mean = 2.22), and normative (mean = 2.49), also shows normal distribution. Employee engagement, assessed by vigor (mean = 2.73), dedication (mean = 3.61), and absorption (mean = 2.32), is normally distributed. Corporate entrepreneurship, evaluated across five dimensions, has mean scores ranging from 1.65 to 3.37, with most dimensions showing normal distribution, except for work discretion.

Table 2: Descriptive statistics and normality test of the study variables

	N	Min.	Max.	Mean	Std. Dev.	Skewness	Kurtosis
Leadership Style							
Transformational	378	1.00	5.00	2.88	0.74	-.056	.034
Transactional	378	1.00	5.00	2.21	0.84	.526	-.231
Laissez	378	1.00	5.00	2.77	0.80	.032	-.479
Organizational Commitment							
Affective Commitment	378	1.00	5.00	2.39	1.03	.716	.216
Continuance Commitment	378	1.00	5.00	2.22	0.75	.756	.560
Normative Commitment	378	1.00	5.00	2.49	0.95	.652	-.200
Employee Engagement							
Vigour	378	1.00	5.00	2.73	0.88	.246	-.521
Dedication	378	1.00	5.00	3.61	0.79	-.402	.240
Absorption	378	1.00	5.00	2.32	0.77	.405	.447
Corporate Entrepreneurship							
Top Management	378	1.00	5.00	3.37	0.96	-.261	-.660
Work Discretion	378	1.00	5.00	1.65	0.78	1.352	1.854
Rewards/Reinforcement	378	1.00	5.00	3.02	0.96	-.075	-.560
Time Availability	378	1.00	5.00	3.09	0.85	.008	-.420
Organizational Boundaries	378	1.00	5.00	3.35	0.85	.298	-.452

Source: Author's own calculations from data

Multicollinearity Test

To assess the presence of multicollinearity, the variance inflation factor (VIF) and tolerance were calculated for each predictor variable after running a multivariate regression. The results in Table 3 show that all the independent variables have VIF values well below the threshold of 5, ranging from 1.105 to 2.057. Similarly, the tolerance values for all the independent variables are above the threshold of 0.2, ranging from 0.486 to 0.905. These findings suggest that multicollinearity is not a significant concern in the current study, as the independent variables do not exhibit a high degree of correlation with each other.

Table 3: Multicollinearity test and Common Bias Method

	Tolerance	VIF	Common Method Bias
Leadership Style			13.411%
Transformational	.690	1.450	
Transactional	.905	1.105	
Laissez-Faire	.818	1.222	
Organizational Commitment			
Affective Commitment	.790	1.266	
Continuance Commitment	.734	1.363	
Normative Commitment	.491	2.037	
Employee Engagement			
Vigor	.811	1.234	
Dedication	.695	1.438	
Absorption	.703	1.422	

Exploratory Factor Analysis (EFA)

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.841, indicating that the data is suitable for factor analysis. (Shrestha, 2021) asserts that a KMO value greater than 0.70 is considered acceptable, indicating enough correlation to proceed with the analysis. Additionally, Bartlett's Test of Sphericity is significant ($\chi2 = 18531.482$, $p = 0.000$), further supporting the suitability of the data for factor analysis by confirming that the correlation matric is not an identity matrix and the variables are sufficiently related. The subsequent factor analysis indicated that the items were well-defined and reliably measure their respective variables, supporting the clarity of the factor structures in the data. The factor loadings were above the 0.50 threshold accepted by Hair et al. (2006).

Additionally, the Cronbach's alpha values for all constructs are high and exhibit strong reliability, well above the recommended threshold of 0.70 (Nayak et al., 2021).

Table 4. Results of factor loadings and reliability analysis

Conceptual factors	Items	Loadings	Cronbach's alpha (α)
Transactional Leadership Style	TR3	.933	.936
	TR2	.908	
	TR5	.897	
	TR4	.890	
	TR6	.849	
	TR1	.757	
Transformational Leadership Style	TL3	.883	.883
	TL2	.880	
	TL5	.832	
	TL4	.754	
	TL1	.734	
Laissez-Faire Leadership Style	LF1	.814	.818
	LF2	.804	
	LF3	.802	

	LF4	.776	
Affective Commitment	AC2	.879	.659
	AC1	.756	
Continuance Commitment	COC1	.805	.776
	COC2	.765	
	COC3	.753	
	COC4	.733	
Normative Commitment	NC5	.885	.881
	NC3	.869	
	NC1	.696	
	NC4	.681	
	NC2	.594	
Vigor	V2	.822	.560
	V1	.759	
Dedication	D3	.885	.868
	D1	.852	
	D2	.807	
Absorption	A1	.839	.715
	A2	.826	
	A3	.648	
Top Management	TP3	.879	.907
	TP1	.874	
	TP2	.806	
	TP4	.783	
Organizational Boundaries	OB1	.902	.880
	OB2	.861	
	OB3	.745	
	OB4	.695	
Work Discretion	WD4	.848	.833
	WD2	.820	
	WD1	.813	
	WD3	.750	
Time Availability	TA2	.788	.806
	TA3	.768	
	TA4	.759	
	TA1	.610	
Rewards/Reinforcement	RR1	.903	.865
	RR3	.796	
	RR2	.728	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.841	
Bartlett's Test of Sphericity		χ^2 (2775) = 18531.482, p = 0.000	

Validity

The validity and reliability of the measurement model were assessed using internal consistency reliability, composite reliability, convergent validity, and discriminant validity. Cronbach's alpha values for most constructs exceeded the 0.70 threshold, with a few exceptions such as market culture (α = 0.603) and vigor (α = 0.560). Composite reliability values ranged from 0.727 to 0.943, indicating generally good reliability across constructs. Convergent validity, measured by average variance extracted (AVE), showed acceptable values for most constructs, though market culture, continuance commitment, absorption, and vigor had lower AVE values, suggesting weaker convergent validity. Discriminant validity, assessed using the Fornell and Larcker criterion, was acceptable for most constructs, although some correlations exceeded the square root of AVE, indicating potential overlap. Overall,

the measurement model demonstrated strong validity and reliability, with some areas for further refinement. Table 5 shows the convergent validity (Composite Reliability (CR) and Average Variance Extracted (AVE)) and discriminant validity (Fornell-Larker Criterion) of the constructs.

Table 5 Convergent validity (AVE) and discriminant validity (Fornell-Larcker Criterion)

	1	2	3	4	5	6	7	8	9	10	11	12	13
1. TL	**0.848**												
2. BC	0.110	**0.876**											
3. EC	0.076	0.548	**0.81**										
4. NC	0.053	0.008	0.037	**0.78**									
5. TR	0.259	0.344	0.239	0.001	**0.78**								
6. CC	0.141	0.548	0.690	0.023	0.435	**0.725**							
7. LF	0.184	0.286	0.162	0.002	0.405	0.301	**0.729**						
8. COC	0.003	0.049	0.007	0.112	0.107	0.008	0.011	**0.694**					
9. DE	0.016	0.046	0.001	0.318	0.005	0.004	0.004	0.455	**0.829**				
10. AB	0.118	0.037	-0.03	0.393	0.016	0.052	0.021	0.007	0.260	**0.697**			
11. MC	0.136	0.069	0.125	0.03	0.137	0.173	0.166	0.047	0.100	0.074	**0.601**		
12. VI	0.107	0.031	0.061	0.015	0.267	0.202	0.186	0.033	0.023	0.027	0.562	**0.657**	
13. AC	0.048	0.064	0.089	0.400	0.065	0.071	0.037	0.339	0.323	0.119	0.135	0.004	**0.754**
AVE	*0.719*	*0.768*	*0.656*	*0.609*	*0.608*	*0.526*	*0.531*	*0.482*	*0.688*	*0.485*	*0.362*	*0.432*	***0.568***
CR	0.938	0.943	0.904	0.885	0.885	0.775	0.819	0.775	0.868	0.737	0.727	0.791	0.711

Note: TL=Transactional Leadership; BC=Bureaucratic Culture; EC=Entrepreneurial Culture; NC=Normative Commitment; TR=Transformational Leadership; CC = Clan Culture; LF = Laissez-Faire; COC = Continuance Commitment; DE = Dedication; AB = Absorption; MC=Market Culture; VI=Vigour; AC = Affective Commitment

Confirmatory Factor Analysis (CFA) Results

The Confirmatory Factor Analysis (CFA) results indicate that the measurement model has a strong goodness of fit. Key fit indices, such as the relative chi-square (CMIN/DF = 1.621), SRMR (0.04), RMSEA (0.041), and PClose (1.000), all meet or exceed recommended thresholds, indicating an excellent fit. The CFI value (0.908) is slightly below the ideal threshold of 0.95 but still acceptable. Other indices, including GFI, AGFI, PGFI, NFI, and TLI, also show excellent fit. These results support the validity of the measurement model and confirm the factor structure derived from the Exploratory Factor Analysis (EFA).

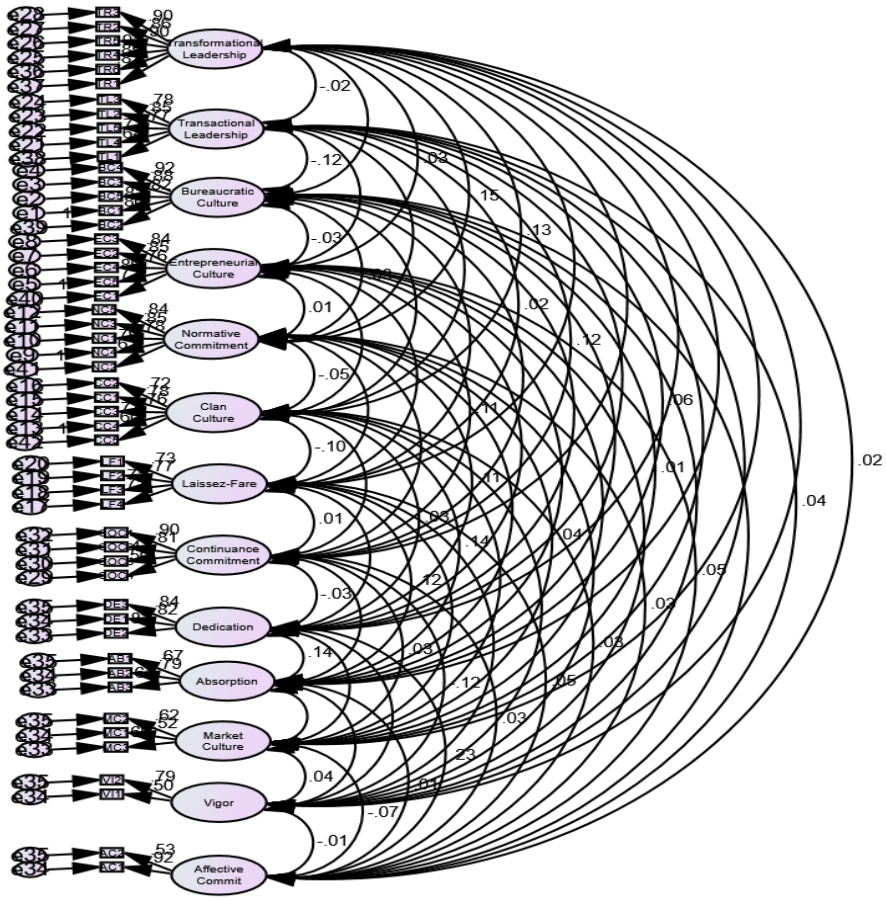

Figure 1. Confirmatory Factor Analysis of the Measurement Model

Structural Equation Modelling

The Structural Equation Model (SEM) validity assessment reveals a strong fit, with indices like CMIN/DF (1.619), SRMR (0.040), and RMSEA (0.041) all indicating excellent fit. The Comparative Fit Index (CFI) is 0.935, suggesting an acceptable fit. The direct path analysis shows significant positive effects of both Organizational Culture and Leadership Style on Corporate Entrepreneurship. Indirect effects analysis reveals significant mediation by Employee Engagement in the Leadership Style-Corporate Entrepreneurship relationship, but no significant mediation by Organizational Commitment or Employee Engagement in other paths. Moderation analysis indicates that Organizational Size and Access to Finance do not moderate the Leadership Style-Corporate Entrepreneurship relationship, but both significantly moderate the Organizational Culture-Corporate Entrepreneurship relationship.

The results of all the model fit indices satisfied the statistical criteria for the SEM. The results for the SEM and Goodness of Fit indices are indicated in Figure 3 and Table 6 below:

Table 6. Results of Goodness of Fit for SEM

Measure	Estimate	Threshold	Interpretation
CMIN/DF	1.621	Between 1 and 3	Excellent
CFI	0.908	>0.95	Acceptable
SRMR	0.04	<0.08	Excellent
RMSEA	0.041	<0.06	Excellent
PClose	1.000	>0.05	Excellent
GFI	0.97	>0.90	Excellent
AGFI	0.944	>0.90	Excellent
PGFI	0.903	>0.90	Excellent
NFI	0.974	>0.90	Excellent
TLI	0.986	>0.90	Excellent

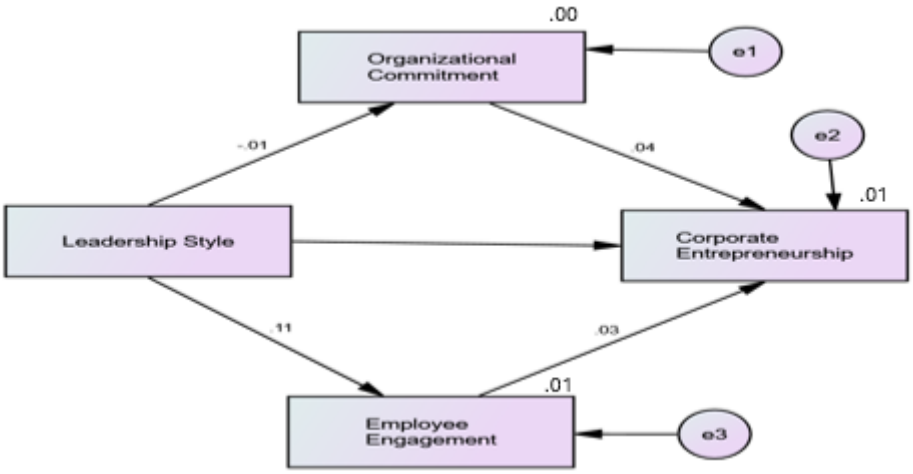

Figure 2. Structural Equation Model of the Study with Estimates

Path analysis

Direct effects

Table 7. Summary of Model Path Analysis of Structural Equation Model of Direct Effects

Direct Paths	Estimate	S.E.	C.R.	p-value
Leadership Style Corporate Entrepreneurship	0.029	0.045	0.645	0.0319*

Significance of Estimates: ***p < 0.001; **p < 0.010; *p < 0.050

Mediating effects

Table 8. Summary of Model Path Analysis of Structural Equation Model of Indirect/Mediation Effects

Indirect/Mediation Effects Paths	Unstandardized Beta (β) Estimate	Lower	Upper	p-value
Leadership Style Employee Engagement Corporate Entrepreneurship	0.004	-0.008	0.08	0.0846†
Leadership Style Organizational Commitment Corporate Entrepreneurship	0.002	-0.003	0.018	0.786

Significance of Estimates: *** p < 0.001; ** p < 0.010; * p < 0.050; † p < 0.100

IV. DISCUSSION

H1: Leadership style has a positive effect on corporate entrepreneurship

The results of the study revealed that Leadership Style has a positive and significant direct effect on Corporate Entrepreneurship, supporting H1. This result aligns with previous research on the relationship between leadership and corporate entrepreneurship. For instance, Yadav and Srivastava (2022) found that transformational leadership positively influenced CE in Indian IT firms, while (Karacaoğlu, (2021) demonstrated a similar relationship in Turkish manufacturing firms. These studies argued that transformational leaders create a vision, encourage innovation, and support risk-taking, which fosters an entrepreneurial mindset within the organization. However, it is important to note that while statistically significant, the effect size in our study (β = 0.029) is relatively small. This suggests that while leadership style does positively influence corporate entrepreneurship, its direct impact may be more modest than previously theorized. This finding underscores the complex nature of corporate entrepreneurship and suggests that leadership style, while important, may be just one of many factors contributing to CE.

H2: Organizational commitment mediates the relationship between leader style and corporate entrepreneurship

The results of the study revealed that the mediation effect of Organizational Commitment on the relationship between Leadership Style and Corporate Entrepreneurship is not statistically significant, failing to support H3. This result is contrary to expectations based on previous research and theoretical propositions in the field. For instance, Jaiswal and Dhar (2017) found that affective commitment mediated the relationship between transformational leadership and innovative work behavior in Indian service firms. Similarly, Şengüllendi et al. (2024) demonstrated that organizational commitment mediated the relationship between entrepreneurial leadership and CE in Turkish SMEs. The lack of a significant mediation effect in this study challenges the theoretical

pathway proposed in the literature, which suggests that leaders who inspire, motivate, and support their employees enhance employees' emotional attachment to the organization, which in turn motivates them to engage in entrepreneurial activities. Meanwhile, although a significant indirect effect through organizational commitment was not found, it is worth noting that the study previously found a significant direct effect of leadership style on CE. This suggests that leadership may influence CE through other mechanisms not captured by organizational commitment.

H3: Employee engagement mediates the relationship between leader style and corporate entrepreneurship

The study examined the indirect path between Leadership Style and Corporate Entrepreneurship (CE), mediated by Employee Engagement. The findings of the study revealed that the mediation effect of Employee Engagement on the relationship between Leadership Style and Corporate Entrepreneurship is statistically significant at the 10% level, providing marginal support for H5. The finding is broadly consistent with studies such as Alshahrani et al. (2024) who found that employee engagement mediated the relationship between transformational leadership and innovative work behavior in Saudi Arabian healthcare organizations. Similarly, it aligns with Mosquera et al. (2022), who demonstrated that work engagement mediated the relationship between entrepreneurial leadership and CE in Portuguese SMEs. The result supports the theoretical argument that leaders who inspire, motivate, and support their employees are likely to enhance employees' emotional and cognitive involvement in their work, which in turn motivates them to engage in entrepreneurial activities.

VII. CONCLUSION

In conclusion, this study provides valuable insights into the complex relationship between leadership styles, organizational commitment, employee engagement, and corporate entrepreneurship. While leadership style was found to have a positive effect on corporate entrepreneurship, the mediation effects of organizational commitment were not significant. However, employee engagement was identified as a marginally significant mediator in this relationship. These findings suggest that while leadership plays a key role in fostering corporate entrepreneurship, its impact may be influenced by additional factors not fully explored in this study. Future research could further investigate these mechanisms and refine our understanding of how leadership shapes entrepreneurial behavior within organizations.

REFERENCES

1) Adim Victor, C., & Poi, G. (2021). Dynamics of Corporate Entrepreneurial Initiatives: A Literature Review. *International Journal of Entrepreneurship ISSN*, *6*(1), 1–13. www.ajpojournals.orgwww.ajpojournals.org
2) Adomako, S., & Nguyen, N. P. (2024). Collaborative entrepreneurship and social innovation performance: Effects of institutional support and social legitimacy. *Corporate Social Responsibility and Environmental Management*. https://doi.org/10.1002/CSR.2900
3) Ahmad, R., Nawaz, M. R., Ishaq, M. I., Khan, M. M., & Ashraf, H. A. (2023). Social exchange theory: Systematic review and future directions. *Frontiers in Psychology*, *13*, 1015921. https://doi.org/10.3389/FPSYG.2022.1015921/BIBTEX
4) Akpa, V., Asikhia, O., & Adeleke, A. A. (2021). Leadership: A Review of Definitions and Theories. *International Journal of Advances in Engineering and Management (IJAEM)*, *3*, 273. https://doi.org/10.35629/5252-0301273291
5) Aljileedi, S. M., & Amoozegar, A. (2023). *THE MEDIATING EFFECT OF ORGANIZATIONAL COMMITMENT BETWEEN TRANSFORMATIONAL LEADERSHIP STYLES AND EMPLOYEE PERFORMANCE IN PUBLIC BANKING SECTOR IN LIBYA*. https://doi.org/10.17605/OSF.IO/3ERPJ
6) Alrowwad, A., Abualoush, S. H., & Masa'deh, R. (2020). Innovation and intellectual capital as intermediary variables among transformational leadership, transactional leadership, and organizational performance. *Journal of Management Development*, *39*(2), 196–222. https://doi.org/10.1108/JMD-02-2019-0062/FULL/HTML
7) Alshahrani, I., Al-Jayyousi, O., Aldhmour, F., & Alderaan, T. (2024). Towards understanding the influence of innovative work behavior on healthcare organizations' performance: the mediating role of transformational leaders. *Arab Gulf Journal of Scientific Research*, *42*(1), 198-216.
8) Asbari, M. (2020). Is Transformational Leadership Suitable for Future Organizational Needs? *INTERNATIONAL JOURNAL OF SOCIAL, POLICY AND LAW*, *1*(1), 51–55. https://doi.org/10.8888/IJOSPL.V1I1.17
9) Bakker, A. B., Hetland, J., Kjellevold Olsen, O., & Espevik, R. (2023a). Daily transformational leadership: A source of inspiration for follower performance? *European Management Journal*, *41*(5), 700–708. https://doi.org/10.1016/J.EMJ.2022.04.004

10) Bakker, A. B., Hetland, J., Kjellevold Olsen, O., & Espevik, R. (2023b). Daily transformational leadership: A source of inspiration for follower performance? *European Management Journal*, *41*(5), 700–708. https://doi.org/10.1016/J.EMJ.2022.04.004
11) Ben Arfi, W., & Hikkerova, L. (2021). Corporate entrepreneurship, product innovation, and knowledge conversion: the role of digital platforms. *Small Business Economics*, *56*(3), 1191–1204. https://doi.org/10.1007/S11187-019-00262-6/METRICS
12) Burch-Parker, L. (2021). *Organizational Culture, Organizational Commitment, and Perception of Meaningful Work Among Social Workers in the Public Sector Throughout the United States*.
13) Changar, M., & Atan, T. (2021). The Role of Transformational and Transactional Leadership Approaches on Environmental and Ethical Aspects of CSR. *Sustainability 2021, Vol. 13, Page 1411*, *13*(3), 1411. https://doi.org/10.3390/SU13031411
14) Chua, J., & Ayoko, O. B. (2021a). Employees' self-determined motivation, transformational leadership and work engagement. *Journal of Management & Organization*, *27*(3), 523–543. https://doi.org/10.1017/JMO.2018.74
15) Chua, J., & Ayoko, O. B. (2021b). Employees' self-determined motivation, transformational leadership and work engagement. *Journal of Management & Organization*, *27*(3), 523–543. https://doi.org/10.1017/JMO.2018.74
16) Donkor, F., Sekyere, I., & Oduro, F. A. (2021). Transformational and Transactional Leadership Styles and Employee Performance in Public Sector Organizations in Africa: A Comprehensive Analysis in Ghana. *Https://Doi.Org/10.1080/15228916.2021.1969191*. https://doi.org/10.1080/15228916.2021.1969191
17) Furuoka, F., & Idris, A. (2021). Mapping the relationship between transformational leadership, trust in leadership and employee championing behavior during organizational change. *Elsevier*. https://www.sciencedirect.com/science/article/pii/S1029313220300609
18) Galanti, T., Guidetti, G., & Mazzei, E. (2021a). Work from home during the COVID-19 outbreak: The impact on employees' remote work productivity, engagement, and stress. *Ncbi.Nlm.Nih.Gov*. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8247534/
19) Galanti, T., Guidetti, G., & Mazzei, E. (2021b). Work from home during the COVID-19 outbreak: The impact on employees' remote work productivity, engagement, and stress. *Ncbi.Nlm.Nih.Gov*. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8247534/
20) García, C. J., & Herrero, B. (2022). Corporate entrepreneurship and governance: Mergers and acquisitions in Europe. *Technological Forecasting and Social Change*, *182*. https://doi.org/10.1016/j.techfore.2022.121845
21) Hadi, N., & Tentama, F. (2020). Affective Commitment, Continuance commitment and Normative commitment in Reflecting Organizational commitment. In *American International Journal of Business Management* (Vol. 3, Issue 8). www.aijbm.com
22) Hennayake, Y., & Maldeniya, P. (2021). The Impact of Transformational Leadership on Change Management. *International Journal of …*. https://ijebhb.com/index.php/ijebhb/article/view/71%0Ahttps://ijebhb.com/index.php/ijebhb/article/download/71/66
23) Inegbedion, D. O., & Olalekan, A. (2022). CORPORATE PHILANTHROPY AND FIRM PERFORMANCE: A MODERATING ROLE OF ENTREPRENEURSHIP & INNOVATIONS: A CASE OF DANGOTE GROUP. *Search.Ebscohost.Com*. https://search.ebscohost.com/login.aspx?direct=true&profile=ehost&scope=site&authtype=crawler&jrnl=15247252&AN=157204501&h=tr%2FQEkvM3lG6r8JI2C7ZVHMXEn5IsvbVjHnn0CBouQ%2BFcPlUHLVZLv1fBqyDD0niw%2BjqyiqRtIASACoIpaBdTQ%3D%3D&crl=c&casa_token=-ntpcuzPEeoAAAAA:S8NI1N-TJ3gSZHsD2rA3Zjo5rqiXWf8pWyOr_ZzhF_Z1Wcj9iQvUqBvBw491gsXhyJQqWcxii8dR85M
24) Islam, M. N., Furuoka, F., & Idris, A. (2020). *Mapping the relationship between transformational leadership, trust in leadership and employee championing behavior during organizational change*. https://doi.org/10.1016/j.apmrv.2020.09.002
25) Jaiswal, N. K., & Dhar, R. L. (2017). The influence of servant leadership, trust in leader and thriving on employee creativity. *Leadership and Organization Development Journal*, *38*(1), 2–21. https://doi.org/10.1108/LODJ-02-2015-0017/FULL/XML
26) Kalkan, Ü, Altınay Aksal, F., Altınay Gazi, Z., Atasoy, R., & Dağlı, G. (2020). The Relationship Between School Administrators' Leadership Styles, School Culture, and Organizational Image. *SAGE Open*, *10*(1). https://doi.org/10.1177/2158244020902081/ASSET/IMAGES/LARGE/10.1177_2158244020902081-FIG3.JPEG
27) Karacaoğlu, E. (2021). Flusilazole Induced Cytotoxicity and Inhibition of Neuronal Growth in Differentiated SH-SY5Y Neuroblastoma Cells by All-Trans-Retinoic Acid (Atra). *Turkish Journal of Pharmaceutical Sciences*, *18*(5), 597. https://doi.org/10.4274/TJPS.GALENOS.2021.30676
28) Kim, M., & Beehr, T. A. (2020). Empowering leadership: leading people to be present through affective organizational commitment?*. *The International Journal of Human Resource Management*, *31*(16), 2017–2044.

https://doi.org/10.1080/09585192.2018.1424017

29) Krishnan, R., Cook, K. S., Kozhikode, R. K., & Schilke, O. (2020). An Interaction Ritual Theory of Social Resource Exchange: Evidence from a Silicon Valley Accelerator. *Https://Doi.Org/10.1177/0001839220970936*, *66*(3), 659–710. https://doi.org/10.1177/0001839220970936
30) Kulkarni, P., & Appasaba, L. V. (2022). The influence of COVID-19 on employee ergonomics and employee engagement of bankingemployees.*Emerald.Com*.https://www.emerald.com/insight/content/doi/10.1108/MANM-12-2021-0009/full/html
31) Mosquera, P., Soares, M. E., & Alvadia, T. (2022). Is teleworking at odds with social sustainability and organizational learning? *The Learning Organization*, *29*(5), 527-547.
32) Mustafa, G., Mubarak, N., Khan, J., Nauman, M., & Riaz, A. (2023). Impact of Leader-Member Exchange on Innovative Work Behavior of Information Technology Project Employees; Role of Employee Engagement and Self-Efficacy. *Employee Responsibilities and Rights Journal*, *35*(4), 581–599. https://doi.org/10.1007/S10672-022-09429-Y/METRICS
33) Mwesigwa, R., Tusiime, I., & Ssekiziyivu, B. (2020). Leadership styles, job satisfaction and organizational commitment among academic staff in public universities. *Journal of Management Development*, *39*(2), 253–268. https://doi.org/10.1108/JMD-02-2018-0055/FULL/XML
34) Nyoman, I., & Sutaguna, T. (2022). *Spiritual Leadership, Workplace Spirituality and Organizational Commitment; Individual Spirituality as Moderating Variable*. https://www.researchgate.net/publication/366248549
35) Ogonegbu, E., & Kyongo, J. K. (2024). NEXUS BETWEEN TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL PERFORMANCE: SYSTEMATIC REVIEW. *International Academic Journal of Human Resource and Business Administration |*, *4*(3), 424–435. https://iajournals.org/articles/iajhrba_v4_i3_424_435.pdf
36) Pan, Y., Verbeke, A., & Yuan, W. (2021). CEO Transformational Leadership and Corporate Entrepreneurship in China. *Management and Organization Review*, *17*(1), 45–76. https://doi.org/10.1017/MOR.2020.59
37) Purwanto, A. (2021). *The Relationship of Transformational Leadership, Organizational Justice and Organizational Commitment: a Mediation Effect of Job Satisfaction*. https://papers.ssrn.com/abstract=3986678
38) Purwanto, A., Purba, J. T., Bernarto, I., & Sijabat, R. (2021). *Effect Of Transformational Leadership, Job Satisfaction, And Organizational Commitments On Organizational Citizenship Behavior*. https://papers.ssrn.com/abstract=3987670
39) Sarwar, H., Ishaq, M. I., Amin, A., & Ahmed, R. (2020). Ethical leadership, work engagement, employees' well-being, and performance: a cross-cultural comparison. *Journal of Sustainable Tourism*, *28*(12), 2008–2026. https://doi.org/10.1080/09669582.2020.1788039
40) Şengüllendi, M. F., Bilgetürk, M., & Afacan Fındıklı, M. (2024). Ethical leadership and green innovation: the mediating role of green organizational culture. *Journal of Environmental Planning and Management*, *67*(8), 1702–1723. https://doi.org/10.1080/09640568.2023.2180347
41) Shin, B. Y., & Cho, K. T. (2020). The evolutionary model of corporate entrepreneurship: A case study of samsung creative-lab. *Sustainability (Switzerland)*, *12*(21), 1–23. https://doi.org/10.3390/su12219042
42) Soomro, B. A., & Shah, N. (2022). Robustness of the transformational leadership towards corporate entrepreneurship. *Journal of Public Affairs*, *22*(2), e2509. https://doi.org/10.1002/PA.2509
43) Sungu, L. J., Weng, Q., & Xu, X. (2019). Organizational commitment and job performance: Examining the moderating roles of occupational commitment and transformational leadership. *International Journal of Selection and Assessment*, *27*(3), 280–290. https://doi.org/10.1111/IJSA.12256
44) Suzuki, K., & Hur, H. (2020). Bureaucratic structures and organizational commitment: findings from a comparative study of 20 European countries. *Public Management Review*, *22*(6), 877–907. https://doi.org/10.1080/14719037.2019.1619813
45) Udin, U. (2020). Transformational Leadership and Organizational Commitment: A Review of Literature. *JRO*, *7*(2), 2623–2626. https://doi.org/10.15520/jro.v7i2.49
46) Xie, L. (2020). The impact of servant leadership and transformational leadership on learning organization: a comparative analysis. *Leadership and Organization Development Journal*, *41*(2), 220–236. https://doi.org/10.1108/LODJ-04-2019-0148/FULL/HTML