

## **Relationship of Intellectual Stimulation, Innovations and Smes Performance: Transformational Leadership a Source of Competitive Advantage in Smes**

*Ghulam Yasin, Samina Nawab, Komal Khalid Bhatti and Tahira Nazir*

Department of Management Science,  
COMSATS Institute of Information Technology, Pakistan

---

**Abstract:** Primary motive for this study was little research in Pakistani SMEs especially in the relationship of individual construct of leadership style as intellectual stimulation to the innovations and SMEs performance. This study investigates this relationship in the SMEs and for this purpose data was collected from the 50 SMEs in Hattar (Haripur) industrial area of Pakistan. Out of 500 questionnaires 350 were returned and 348 were valid for analysis, response rate was 70%. Pearson correlation and regression analysis was used for investigation of this relationship. This study found that intellectual stimulation may be used as tool for the development of innovations and higher SMEs performance and this study also found a strong positive relationship of innovations to the SMEs performance.

**Key words:** Intellectual Stimulation • Innovations • SMEs Performance

---

### **INTRODUCTION**

Enterprises must be able to evolve with a good strategy in consonance with the environment for achievement of sustainable competitive advantage in the dynamic, global competitive environment [1, 2]. One important path for the organizations to achieve success, superior performance and a sustainable competitive advantage is to bring innovations in the products/services and processes.

Globalization also encouraged SMEs to be innovating to operate in the global competitive market and to achieve success [3] and in the situations of economic instability organizations should concentrate on innovations [2]. Innovations are helpful in achieving benefits of cash, knowledge, brand and ecosystem [4] and as today economy is knowledge based [5] therefore organizational capability to manage knowledge is prerequisite. Innovativeness is organizational capabilities to offer new products and services in persuasion of target market opportunity through unique strategic and innovative process behavior [6].

Organizational systems pursue for its goals and control its performance standard that are coordinated, directed and controlled on continually basis. The person who plays central role for all of these activities in the

organization is a leader. Leader prepares the people to exert high efforts to achieve the targets that they have never thought to achieve and obtain the action of employees to contribute their best for the organizations, so there is a vital relation between the leaders and the organizational performance [7]. To achieve overall goal of superior performance of the enterprise transformational leadership is more important than others styles of the leadership because transformational leadership enhance organizational innovativeness by taking initiatives [40, 8, 41, 9] and traditional styles of leadership are not effective in today business environment because today organizations do not want administrators but the leaders. Transformational leadership style is effective who take initiatives with the environment changes and give a new life to its business [54] and Intellectual Stimulation is a dimension of transformational leadership style [10] which encourage employees to be innovative and Intellectual Stimulation is positively associated with organizational performance [11]. So leadership is most important element which influence organizations to innovate [42] and leadership have influence over the innovations that drive organizational performance [43].

SMEs are considered weak in innovations because of their limited resources but there are strong evidences that SMEs are more accurate platform for innovations as

having close contact with their employees and customers. SMEs capital is developed and maintained by its employees [12]. SMEs which have developed innovative capabilities and adopted innovations have bigger impact on their sales, profitability and have a strong positive relation to the operational performance [13] therefore innovations are not required only for the survival of existing SMEs but also needed for the development of large enterprises and to inject a new blood into the national economy.

Pakistan economy mainly comprises of SMEs but leadership of this sector has not realized its potential. In most of the places there is bad attitude toward workforce that results inefficiency, ineffectiveness and poor productivity of the organizations. Right type of leadership was not applied for Pakistani workforce and for the organization. By the most recent estimate (SMEDA) SMEs employ 78% of the non agriculture workforce approximately, their contribution to the GDP is 30% and these SMEs share to the exports is 25%. They have also a share of 35% in the manufacturing value addition. Although the importance of SMEs has been recognized as the key characteristic of prosperous and the growing economy but SME sector has not been able to achieve well targeted results because of suffering from a number of challenges and weaknesses that influence the SMEs ability to turn its potential into act and to take advantage of the opening global world economy and increasing their products to the world market and most of these challenges and weaknesses are related to the leadership. By overcoming the weaknesses many small and medium scale industries in the public and private sector can contribute the national economy, can control the rapid decline of foreign exchange, overcome on poverty and increase opportunity for employment. It depends on the leadership that at what extent they understand their roles effectiveness and performs for the organizational productivity and for the national level contribution because organizational productivity in SMEs which contribute to the national level productivity is developed and maintained by its employees [12].

This study focuses on the SMEs internal resources [44] that how can leadership be helpful to achieve sustainable competitive advantage through innovating their products, services and processes by applying right type of leadership style. This study investigates that how transformational individual construct [14, 15] as intellectual stimulation may influence innovations and at what extent have influence over firm performance of SMEs in Pakistan.

**Significance of the Study:** In Pakistan there are approximately 3.2 million business enterprises of small and medium scale and running of these enterprises necessitates frequent interactions and expectations among the leaders, employees and organizations. Today in the global environment responsibilities of the leaders have been increased and almost all of the industries are investing R&D to develop new processes and innovative management styles to improve their organizational productivity to take competitive advantage over their competitors, to achieve success in the more competitive market and to maximize the stake holder's wealth. This study is extremely significant in a number of ways:

- It helps to reveal the relationship between Intellectual Stimulation, Innovations and organizational performance
- This study will be important for the students of the business administration who might become entrepreneurs and leaders of the small and medium scale industries of the Pakistan
- This will also help management and leaders of SMEs to become aware of the element that may result in higher productivity and to build a competitive advantage in the global competitive market place through developing capabilities of SMEs for innovativeness

#### **Literature Review**

**Transformational Leadership:** Leaders exhibit both style of leadership, transformational leadership is vary from transactional leadership that elevate the interest of the leaders in which cooperation is obtained through the exchange of rewards, leaders may reward follower when objectives are achieved and provide motivation during the era of change and transactional leaders motivate subordinates to perform as their expectation, this style is needed for effective department management, developing performance standards and categorizing jobs as expectation [16]. Transformational leadership is associated with improved performance, to enhance effectiveness and productivity and transformational leadership is more associated with organizational effectiveness as compared to the transactional leadership [17]. Organizational failure and success have an effect on the norms of the organization and the perceptions of the leadership style. Transformational leadership stimulates to goal setting and leads to task achievement and accomplishment. Transformational leadership is more associated to performance beyond expectations.

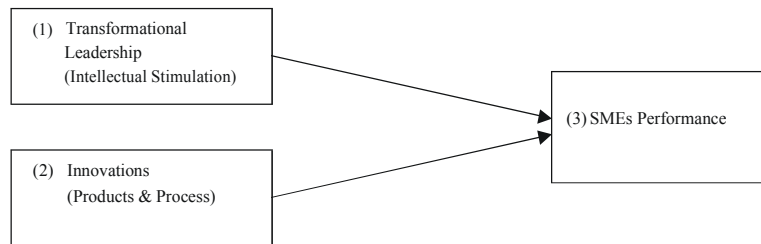


Fig. 1: Research Model: for relationship between the variables

More over it can also be viewed that transformational leadership leads group's expectations for higher performance that effect level of performance [45] and transformational leadership behavior in important to provide vision and motivation at the time of environmental and professional change [16]. Transformational leadership style as the independent variable [14, 15] there are five dimensions and key components (1). Intellectual stimulation-increase ones ability to complete the task have innovative ideas to solve problems and encourage subordinates to express new ideas and this key component of the leadership encourage for improvement in the organization through creativity and creation of knowledge to develop sustainable competitive advantage [18] and innovation is based on the creative knowledge that based on the intellectual stimulation [19] and in result intellectual capital contribute to the higher SMEs performance and provide a competitive advantage over others (2). Individual consideration [20] leaders have interactions to their followers and tries best to align their goals and objectives with the individuals that results in better achievement of the goals. This element changes the behavior of the people for high productivity and quality. (3) Inspirational motivation-this element leaders properly communicate the company vision, mission in a positive way to energize, to increase inspiration and enthusiasm to bring the followers to a stage at which they adopt the leaders wishes and gives value to things that are required for the company [20, 21]. (4) Idealized Influence Attributed-this element have central importance to the transformational leadership [14, 22] and is important especially in the difficult issues that develop followers trust and confidence through taking stand on the difficult issues leaders emphasize on the purpose. (5) Idealized Influence Behavior-this element is behaviorally based and holds charismatic leadership traits [23].

**Intellectual Stimulation and Firm Performance:** Significant positive relationship was found between the transformational leadership individual construct

intellectual stimulation and organizational performance [11]. Leaders exhibit transformational style more than the others [24] and transformational leaders are more effective for the organizations [16]. Transformational leaders move their organizations to the qualities of transformational like intellectual stimulation, individual consideration and accomplishment [20, 25] said that employees perceive their transformational leaders more adaptive, involving and integrating. Further more adaptive orientation was found positively linked to the organizational performance [45].

**Hypothesis 1:** Intellectual Stimulation is positively associated with SMEs Performance.

**Innovations and SMEs Performance:** SMEs have higher sales, profitability and operational performance which had developed capabilities for innovations and have taken innovative actions. Other traditional enterprises were facing serious downturn [13]. [43] explained that technological innovations drive the organizations and have direct impact on the firm performance, many countries are conducting research on the workplace innovations for the purpose of performance improvements [26] because it is combination of technological and non technological innovations [27]. Taiwanese companies especially in the electronic industry have invested heavily in innovations and have a name in the world for electronic design and production [28]. According to the [1] there is evidence that products and process innovations have direct impact on the organizational performance and it was empirically proof in the Malaysian SMEs and process innovations [46] is important for the organizations to promote competitiveness.

**Hypothesis 2:** Organizational Innovations have positive impact on the SMEs Performance.

**Organizational Performance:** Organizational performance has been debated in many studies and criticized [47, 48] that selection of measures in most performance

relationship was in limited perspective because their focus was on the few subjective measures. Organizational outcomes such as net profit have been used in several studies [29, 30]. While [31] provided the more accurate and true measure of the organizational performance measure. Others researchers such as [7, 32] have used either one and neglected one the non financial measures as customer satisfaction and employee satisfaction as their focus was on the financial measures as net profit and controllable cost and they have not used both form of measures. [33] evaluate firm performance on the basis of two variables of accounting and operating based variables as (1) return on assets and equity (2) return on sales and sales growth. According to the [34] firm performance based on the earlier work [49-50] is consist of two variables and combination of these two variables provide a broad assessment about the perceptions of organizational performance.

## MATERIALS AND METHODS

**Respondents:** Organizations that were selected for this study are Small and Medium Scale Enterprises (SMEs) in the industrial estate area of Hattar Haripur, Pakistan. SMEs have been defined on the basis of no. of employees. Companies that have maximum no. of employees up to 250 fall in the category of Small and Medium Scale Enterprises as defined by the SMEDA Pakistan and this definition has been considered in this research work, all types of SMEs that fall in the defined standard both in the public and private sector have been included.

Respondents for the study were higher level employees who were involved in organizational wide decisions including top management team, managers, GMs, managing directors, Vice presidents and CEOs were also included.

**Simple Random Sampling:** There are 150 SMEs in the Hattar (Haripur) Industrial Estate Area of Pakistan. Data for this study was collected from 50 SMEs. Simple Random Sampling method was used for this study because this method has least bias and this method offers most generalizability. SMEs were selected in a way that if there are 10 Chemical related companies, 4 out of 10 were selected randomly and questionnaire distributed, similarly other enterprises were selected.

**Sample Size:** Data for this study was collected from 50 SMEs, 10 questionnaires were distributed by hand to

each SME and in this way 500 total questionnaire were distributed. Sample size that was considered for this study is 350 respondents. This size of the sample was considered enough for this study.

**Instrument for Data Collection:** Instrument that was used for this study is a 14 items questionnaire. All questions are based on the five point likert scale of two types one is, 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree and second type is 1=Worse, 2=Not good, 3=Satisfactory, 4=Good, 5=Very good. Respondents were asked to circle the appropriate number according to their judgments and knowledge. Questionnaire was distributed personally to the respondents.

### Measures of Variables

**Intellectual Stimulation:** For the measurement of Intellectual Stimulation [51] Multifactor Leadership Questionnaire was used.

**Innovations:** For the measurement of innovations, broader assessment range of indicators [35] was used. Questions were adopted from [52] that are listed in the questionnaire design table.

**Organizational Performance:** Organizational Performance is measured by two variables that were adopted by the [34] for the measurement of firm performance consisting on two components as organizational performance and market performance and these two components together give broad measurement of the organizational performance.

### Analysis, Discussion and Conclusion

**Analysis Overview:** Four hundred and fifty questionnaires were distributed by hand to the respondents in the selected area of the industry. Five hundred questionnaires were returned, two of them were incomplete, total three hundred and forty eight questionnaires were utilized, response rate was low from the higher level management then the lower level however respondents made the response rate of 70% in overall.

Respondents were greater in number with qualification of DAE, B-tech, B.E, B.COM, BBA, MBA (Executive) and some were MBA and a few of them were M. Phil. Their duration of working in the present organization was from 4 years of minimum to 20 years of maximum and their age was from 27 years to 50 years of maximum. The gender of the respondents was almost male

Table 1: Descriptive statistics, Cronbach alpha and Pearson correlations

Variable	Mean	SD	$\alpha$	1	2	3
Intellectual Stimulation	3.221	0.805	0.909	-		
Innovations	3.046	0.617	0.893	0.775**	-	
SMEs Performance	2.911	0.675	0.954	0.739**	0.783**	-

Notes: N= 348,  $\alpha$  = internal consistency reliability

\*\* Correlation is significant at the 0.01 level (2-tailed).

and only a few were female who were in the middle level of management. Although response rate was high in the survey but at about 12 respondents refused to participate in the survey and four organizations have not allowed entering for survey purpose and reason told for non response to participate in the survey was too busy and told that company policy was against the survey.

By the descriptive analysis mean value of intellectual stimulation is 3.2205, innovations 3.0461 and mean value of SMEs performance is 2.9112. the value of Standard Deviation for all variables is less than 1 therefore according to the Cohen data is normally distributed and Pearson Correlation is best for the analysis of the data. Alpha value for Intellectual stimulation is 0.909, Innovations 0.893 and SMEs Performance scale have reliability of 0.954.

### Hypothesis Testing

**Correlations and Regression Analysis:** Correlation and regression analysis will be used to test the impact of Intellectual Stimulation on Innovations, intellectual stimulation relationship with SMEs performance and Innovations impact on the SMEs Performance.

**Hypothesis 1:** Intellectual Stimulation is positively associated with SMEs Performance.

By the Pearson correlation analysis there is a positive association between the Intellectual stimulation and Innovations. The value of correlation coefficient (r) for Intellectual stimulation and Innovations is 0.739.

**Hypothesis 2:** Organizational Innovations have positive impact on the SMEs Performance.

By the Pearson correlation analysis there is a positive association between the Innovations and SMEs performance. The value of correlation coefficient (r) for Innovations and SMEs performance is 0.783.

### Results of Regression Analysis:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

SME Performance = Intercept + Intellectual Stimulation + Innovation + error

1.133      0.620      0.857  
0.000      0.000      0.009

R = 0.675      R<sup>2</sup> = 0.624      R<sup>2</sup> adjusted = 0.545

F = 415.132      sig = (0.000)      DW = 1.954

N = 348

By the regression results the value of B<sub>1</sub> is 0.620 that explains that if managers in the SMEs have no emphasize on the intellectual stimulation SMEs performance will be 0.620 and the value of B<sub>2</sub> show that if independent variable is changed by one unit the SMEs performance will be changed by 0.857 times. F-value is 415.132 that explain regression model is a good predictor of the dependent variable that is SMEs performance. Value of R<sup>2</sup> is 0.624, P < 0.00 that indicates that intellectual stimulation accounts 62.4% variation in the dependent variable.

## DISCUSSION

The purpose of this study is to investigate the relationship of transformational individual construct as intellectual stimulation to the innovations and SMEs performance and to investigate the relationship of innovations to the SMEs performance in the selected areas of SMEs in Pakistan. By the correlation and regression analysis positive relationship was found in all of the relations as positive relation was found between intellectual stimulation and SMEs performance, positive relation was found between the intellectual stimulation and innovations and positive relations was also found between innovations and SMEs performance.

This supports the positive relationship of intellectual stimulation to the SMEs performance and previous studies also show a positive relationship between these two variables as [25, 40] said that transformational leadership move the organization to be more productive through emphasize on the intellectual stimulation and transformational leadership through the intellectual stimulation create an organizational culture that improve organizational performance.

This study supports the view that intellectual stimulation promotes innovations as by the analysis a positive relationship was found between the intellectual stimulation and organizational innovations. Previous studies also show positive link in the relationship of intellectual stimulations and organizational innovations as

in the study of [23] that leaders involve their employees in finding solutions of the problems and also viewed that transformational leadership individual construct develop environment for the employees to suggest new ideas for the problems and are encouraged for innovations.

Finally this study supports the positive relationship of innovations to the SMEs performance as in the correlation and regression analysis a positive relationship was found between these two variables. Previous studies as [26, 27] viewed that there is positive relationship between the innovations and SMEs performance. [1] found a direct relationship of the innovations to the SMEs performance however he has found a negative relationship of products innovations to the organizational and market performance while other such as [53] have found a positive relationship between these two variables.

### CONCLUSION

This study mainly investigated and identified that the intellectual stimulation has positive relationship with the innovations and SMEs performance and also identified that innovations have positive impact on the SMEs performance. This study concludes after the detailed literature review and hypothesis analysis that if the leaders in the SMEs emphasize on the intellectual stimulation individual construct of transformational leadership style they will be able to develop innovativeness in their enterprises and they will have higher SMEs performance. Finally it may be argued that if SMEs want to be able to evolve with a good strategy in consonance with the environment for establishing a sustainable competitive advantage in the dynamic, global competitive environment [1, 36] One important path for the SMEs to achieve success, superior performance and a sustainable competitive advantage is to bring innovations in the products/services and processes as globalization also encouraged SMEs to be innovating to operate in the global competitive market and to achieve success, intellectual stimulation may be used as a tool to achieve this success of higher SMEs performance through innovations.

### Limitations and Future Research Recommendations:

This study contributes the existing literature in the form of supports. There are some limitations of the study as this was conducted only in the selected area of the SMEs and secondly in the study SMEs performance was

measured by the respondents self evaluation instead of measuring the performance of the SMEs at two different times e.g., at start of the study and after the six months duration. Thirdly this study was considered only two variables that influence SMEs performance while there are many other variables that may influence SMEs performance. When intellectual stimulation has strong positive relationship to the innovations and SMEs performance than why Pakistani SMEs are not competitive in the local market and position of Pakistani SMEs is vulnerable in the foreign market. Interested researchers may investigate the other factors that influence SMEs performance and may investigate the problem that why Pakistani SMEs are not performing at their level of potentials and factors are militating against the SMEs.

### REFERENCES

1. Mohd Faiz Hilmi *et al.*, 2010. Product and Process Innovativeness: Evidence from Malaysian SMEs. *European Journal of Social Sciences*, 16(4): 547-555.
2. Miles, R.E. and C.C. Snow, 1978. *Organizational Strategy, Structure and Process*, McGraw-Hill, New York, NY.
3. Gunasekaran, A., P. Okko, T. Martikainen and P. Yli-Olli, 1996. Improving Productivity and Quality in Small and Medium Enterprises: Cases and analysis. *International Small Business Journal*, 15(1): 59-72.
4. Afuah and Alan, 2003. *Innovation Management*. 2<sup>nd</sup> Edition. Oxford University Press. New York.
5. Widen-Wulff, G. and R. Suomi, 2007. Utilization of Information Resources for Business Success: The Knowledge Sharing Model. *Information Resources Management Journal*, 20(1): 46-67.
6. Wang, L. Catherine and Pervaiz K. Ahmed, 2004. The Development and Validation of the Organizational Innovativeness Construct using Confirmatory Factor Analysis. *European Journal of Innovation Management*, 7(4): 303-313.
7. Keller, R.T., 2006. Transformational Leadership, Initiating Structure and Substitutes for Leadership: A Longitudinal Study of Research and Development Project Team Performance. *Journal of Applied Psychology*, 91(1): 202-210.
8. Lowe, K., K. Kroeck and N. Sivasubramaniam, 1996. Effectiveness correlates of transformational and transactional leadership: a meta-analysis review. *The Leadership Quarterly*, 7: 385-425.

9. Jung, D., A. Wu and C. Chow, 2008. Towards Understanding the Direct and Indirect Effects of CEO's Transformational Leadership on Firm Innovation. *The Leadership Quarterly*, 19: 582-594.
10. Bass, B.M. and B.J. Avolio, 1995. MLQ Multifactor Leadership Questionnaire for research. Redwood City, CA: Mind Garden.
11. Daren E. Hancott, 2005. The Relationship between Transformational Leadership and Organizational Performance in the largest public companies in Canada. Unpublished Doctoral Dissertation. Capella University.
12. Desouza, K.C. and Y. Awazu, 2006. Knowledge Management at SMEs: Five Peculiarities. *Journal of Knowledge Management*, 10(1): 32-43.
13. Li-Min Hsueh Ying-yi Tu, 2004. Innovation and the Operational Performance of Newly Established Small and Medium Enterprises in Taiwan. *Small Business Economics*, 23(2): 99-113.
14. Bass, B.M., 1985. Leadership and performance beyond expectations. New York: Free Press.
15. Bass, B.M., 1990. The Bass and Stogdill Handbook of Leadership. Free Press, New York.
16. Rukmani, K., M. Ramesh and J. Jayakrishnan, 2010. Effect of Leadership Styles on Organizational Effectiveness. *European Journal of Social Sciences*, 15(3): 365-370.
17. Debra, K. and Vankovich Mullins, 2007. The Relationship between Leadership Styles and Organizational Culture within Schools of Nursing. Unpublished Doctoral Dissertation. Marshall University College of Education and Human Services.
18. Avolio, B.J. and B.M. Bass, 1995. Individual Consideration Viewed at Multiple Levels of Analysis: A Multi-Level Framework for Examining the Diffusion of Transformational Leadership, *Leadership Quarterly*, 6(2): 199-218.
19. Rohana, 2009. The Relationship of Intellectual Capital, Innovation and Organizational Performance: a Preliminary Study in Malaysian SMEs. *International Journal of Management Innovation Systems*, 1(1): 1-13.
20. Bass, B.M. and B.J. Avolio, 1997. Full Range Leadership Development: Manual for the Multifactor Leadership Questionnaire. Redwood City: Mind Garden Inc.
21. Behling O. and J. McFillen, 1996. A Syncretical Model Charismatic/Transformational Leadership. *Group and Organisation Management*, 21(2): 120-160.
22. Yukl, G.A., 1989b. Managerial leadership: A Review of Theory and Research. *Journal of Management*, 15: 251-289.
23. Avolio, B. and B. Bass, 1999. Re-examining the Components of Transformational and Transactional Leadership Using the Multifactor Leadership Questionnaire. *Journal of Occupational and Organizational Psychology*, 72: 441-462.
24. Bass, B.M., B.J. Avolio, D.I. Jung and Y. Berson, 2003. Predicting Unit Performance by Assessing Transformational and Transactional Leadership. *Journal of Applied Psychology*, 88: 207-218.
25. Block, L., 2003. The leadership-culture connection: an exploratory investigation. *Leadership and Organization Development Journal*, 24: 318-34.
26. Frank Pot, 2011. Workplace Innovation for Better Jobs and Performance. *International Journal of Productivity and Performance Management*, 60(4): 404-415.
27. Pot, F.D. and E.A.P. Koningsveld, 2009. Quality of Working Life and Organizational Performance – Two Sides of the Same Coin?. *Scandinavian Journal of Work, Environment and Health*, 35(6): 421-428.
28. Breznitz, D., 2005. Development, Flexibility and R&D Performance in the Taiwanese IT Industry: Capability Creation and the Effects of State-Industry Co Evolution. *Industrial and Corporate Change*, 14(1): 153-187.
29. Waldman, D.A., G.G. Ramirez, R.J. House and P. Furanam, 2001. Does Leadership Matter? CEO Leadership Attributes and Profitability under Conditions of Perceived Environmental Uncertainty. *Academy of Management Journal*, 44(1): 134-143.
30. Koene, B.A.S., A.L.W. Vogelaar and J.L. Soeters, 2002. Leadership Effects on Organizational Climate and Financial Performance: Local Leadership Effect in Chain Organizations. *Leadership Quarterly*, 13: 193-215.
31. Hoogh, A.H.B. De *et al.*, 2004. Charismatic Leadership, Environmental Dynamism and Performance. *European Journal of Work and Organizational Psychology*, 13(4): 447-471.
32. Lim, B. and R.E. Ployhart, 2004. Transformational leadership: Relations to the Five-Factor Model & Team Performance in Typical and Maximum Contexts. *Journal of Applied Psychology*, 89(4): 610-621.
33. Gongming Qian and Lee Li, 2003. Profitability of Small- and Medium-Sized Enterprises in High-Tech Industries: The Case of the Biotechnology Industry. *Strategic Management Journal*, 24(9): 881-887.

34. Kuldeep Singh, 2004. Impact of HRM Practices on the Perceived Firm Performance in India. *Asia Pacific Journal of HR.*, 42(3): 301-317.
35. Tidd, J., 2001. Innovation Management in Context: Environment, Organization and Performance. *International Journal of Management Reviews*, 3(3): 169-183.
36. Wasim Abbas Imran Asghar, 2010. Relating the Successful Organizational change to Visionary and Innovative Leadership. Master's Thesis in Industrial Engineering and Management.
37. Cohen, S. and N. Kaimenakis, 2007. Intellectual Capital and Corporate Performance in Knowledge-Intensive SMEs. *The Learning Organization*, 14(3): 241-262.
38. Fu-Jin Wang, Shieh Chich-Jen and Tang Mei-Ling. 2010. Effect of Leadership Style on Organizational Performance as Viewed from Human Resource Management Strategy. *African Journal of Business Management*, 4(18): 3924-3936.
39. Harel, H.G. and S.S. Tzafrir, 1999. The Effect of human Resource Management Practices on the Perceptions of Organizational and Market Performance of the Firm. *Human Resource Management*, 38: 185-200.
40. Bass, B.M. and B.J. Avolio, 1993. Transformational leadership: A response to critiques. In: M.M. Chemers and R. Ayman (Eds.), *Leadership theory and research: Perspectives and direction*. San Diego, CA: Academic Press.
41. Elenkov, D., W. Judge and P. Wright, 2005. Strategic Leadership and Executive Innovation Influence: An International Multi-Cluster Comparative Study. *Strategic Management Journal*, 26(7): 665-682.
42. Mumford, M.D., G.M. Scott, B. Gaddis and J.M. Strange, 2002. Leading creative people: Orchestrating expertise and relationships. *The Leadership Quarterly*, 13: 705-750.
43. Wenpin Tsai, 2001. Knowledge Transfer in Intra-organizational Networks: Effects of Network Position and Absorptive Capacity on Business Unit Innovation and Performance. *The Academy of Management Journal*, 44(5): 996-1004.
44. Man, T.W.Y., T. Lau and K.F. Chan, 2002. The Competitiveness of Small and Medium Enterprises: A Conceptualization with Focus on Entrepreneurial Competencies. *Journal of Business Venturing*, 17(2): 123-142.
45. Athena Xenikou and Maria Simosi, 2006. Organizational Culture and Transformational Leadership as Predictors of Business Unit Performance. *Journal of Managerial Psychology*, 21(6): 566-579.
46. Lin, C.Y.Y. and M.Y.C. Chen, 2007. Does Innovation Lead to Performance? An Empirical Study of SMEs in Taiwan. *Management Research News*, 30(2): 115-132.
47. Schriesheim, C.A., S.L. Castro, X. Zhou and L.A. Dechurch, 2006. An Investigation of Path-Goal & Transformational Leadership Theory Predications at the Individual Level of Analysis. *The Leadership Quarterly*, 17(1): 21-38.
48. Hoogh, A.H.B. De, D.N. Hartog Den, P.L. Koopman, H.T. Berg, P.T. Berg, Van Den, J.G. Weide, Van Der and C.P.M. Wilderom, 2004. Charismatic leadership, Environmental Dynamism & Performance. *European Journal of Work and Organizational Psychology*, 13(4): 447-471.
49. Delaney, T.J. and A.M. Huselid, 1996. The Impact of human Resource Management Practices on Perceptions of Organizational Performance. *Academy of Management Journal*, 39(4): 949-69.
50. Harel, H.G. and S.S. Tzafrir, 1999. The Effect of Human Resource Management Practices on the Perceptions of Organizational and Market Performance of the Firm. *Human Resource Management*, 38(3): 185-199.
51. Bass, B.M. and B.J. Avolio, 2000. *MLQ Multifactor Leadership Questionnaire* Redwood City: Mind Garden.
52. Wang, C.L. and P.K. Ahmed, 2004. The Development and Validation of the Organisational Innovativeness Construct Using Confirmatory Factor Analysis. *European Journal of Innovation Management*, 7(4): 303-313.
53. Sandvik, I.L. and K. Sandvik, 2003. The Impact of Market Orientation on Product Innovativeness and Business Performance. *International Journal of Research in Marketing*, 20(4): 355-376.
54. Robert Hogan and Robert B. Kaiser, 2005. What we know about Leadership. *Review of General Psychology*, 9(2): 169-180.