THE IMPACT OF INNOVATION LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: MEDIATED ROLE OF ORGANIZATIONAL AMBIDEXTERITY

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Abstract
The major objective of this paper is to develop & test an integrated model of organizational ambidexterity, providing solutions to achieve the maximum performance outcomes. This research describes the mediating role of organizational ambidexterity with innovation leadership for achieving enhanced performances in an organization. Prior research has acknowledged that innovation leadership influence the organizational performance, little is known whether and how organizational ambidexterity affects the innovation leadership that contributes the organizational performance. The sample of private & government sectors employees were selected to test out theoretical model. Total 160 questionnaires were distributed & we received the response from 150 different organizations providing the data necessary of analysis of our integrated model. The results of the study show the novel findings & sufficient support for greater part of the hypotheses. It shows that innovation leadership is positively related to organizational performances exhibiting the direct effect. It also shows that innovation leadership is also positively related with organizational ambidexterity. It has been analyzed & found that organizational ambidexterity plays & important part for maximizing organizational performances. The mediating role of organizational ambidexterity also provides us unique, novel & diverse readings indicating a large amount of change due to mediation process. Generally the development of integrated model of organizational ambidexterity was supported both theoretically & statistically.

Keywords: Organizational Ambidexterity, Innovation Leadership, Organizational Performance

1. Introduction
Precise meaning of the innovation is “something novel or different introduced” (Dictionary.com, 2011). Innovation Leadership is a very important philosophy for all types of organizations in achieving various types of best performance outcomes. Innovation leadership is an important philosophy for attaining a strategic fit for an organization (Van de Ven & Chu, 1989). Organizations have been constantly working for...
achieving external (Aldrich, 1979; Miles & Snow, 1994; Venkatraman, 1989; Venkatraman & Camillus, 1984; Venkatraman & Prescott, 1990) & internal strategic (Miller, 1996; Porter, 1996) fit because not it only enables the firm to adapt to unexpected possibilities but also act as a preventive to artificial to put in (Rivkin, 2000; Siggelkow, 2002). Innovation leadership as whole is best practice to compete in a long run & for fostering best performance outcomes. Previous researches have been done on generic leadership styles (Barling Loughlin, & Kelloway, 2002; Lewin, Lippitt & White, 1939; McGregor, 1960; Schneider, Ehrhart, Mayer, Saltz, & Miles-Jolly, 2005) such as transactional & transformational leaderships in achieving strategic fit for an organization that will enhance the organization’s performance but little did we know that how a certain type of leadership (Innovative leadership) will cultivate the strategic fit & to what extent it will enhance the organization’s performance (Van de Ven & Chu, 1989). Innovative leadership is a major contributor in achieving strategic fit as a result increasing organization’s performance (Schneider et al., 2005). Innovation leadership affects the different performance measures of an organization (Carmeli & Tishler, 2004 (a, b), 2006). Organizational learning theory connected with innovation leadership is described as the process of transferring knowledge to the people in an organization to impact the change required by an organization to prosper. This is only possible with the help of the required leadership qualities that motivates the people in an organization to innovate accordingly. Innovative leadership enables the people to learn from mistakes & emerge successfully instead of backlashing from the target required due to demotivation.

March (1991) argued & proposed that as the environment is changing, so organizations should focus on exploration & exploitation simultaneously & could be seen as the two end of a single continuum. Operating in changing environmental aspects requires organization’s to search information & resources required for radical innovations while at the same time taking advantage of existing information & available resources for incremental innovation (Andriopoulos & Lewis, 2009; He & Wong, 2004). Organizational ambidexterity is a developing idea which seizures the management of twofold dimensions, resulting firm’s superior performance outcomes because of its impact (Gibson & Birkinshaw, 2004; He & Wong, 2004; Lin et al., 2013). Organizational ambidexterity refers to be effective & efficient in management of present businesses as well as adaptable for dealing with tomorrow’s business changing demand (He & Wong, 2004). A balanced and composed way (He & Wong, 2004; Kortmann, 2014; Lin, McDonough, Lin, & Lin, 2013; March, 1991) is required to be established between incremental and radical innovation, resulting to outperform the various performance outcomes of an organization and hence satisfying the balance theory. Organizational ambidexterity is very difficult for any firm to obtain because for an exploration & exploitation to work simultaneously the management of an organization must know the difference in the company’s resources & possessions (March, 1991, strategic orientations (Kortmann, 2014) & entrepreneurial processes (Mihalache, Jansen, Van Den Bosch, & Volberda, 2014). Once ambidexterity is achieved its makes very hard for the competitors to understand organization’s innovation process for increasing effectiveness & efficiency, constantly contributing to the superior company’s performance (Gibson & Birkinshaw, 2004; He & Wong, 2004). Previous researches have shown that organizations with dynamic environment are mostly ambidextrous in nature such that they efficiently aligned their present & are adaptable to the future (Birkinshaw– Gibson, 2004; Duncan,
Long lasting success of an organization is determined by the organizations planning to completely using the current capabilities along with exploring new products, contingencies & markets (Levinthal – March 1993, March 1991). Previous studies mostly focused on the researching the antecedents of organizational ambidexterity & (Van den Bosch, Volberda & De Boer, 1999) & special effects of ambidexterity on performance (He & Wong, 2004; Jansen et al., 2006). For example various studies includes organizational ambidexterity linked with organizational structure (Sheremata, 2000), HRM dimensions (Junn et al, 2015), & different categories of leadership (Lubatkin et al., 2006; Smith & Tushman, 2005). Researches have also shown the impact of contextual factors (Gibson & Birkinshaw, 2004) & organizational culture (O’Reilly & Tushman, 2004; Van den Bosch et al., 1999; Lin et al., 2007) on ambidexterity.

Organizational performance may be defined as the complete analysis of the company yearly, quarterly or monthly performance with the desired goals & objectives, thus resulting the success or failure of a firm (Business Dictionary). Firm performance is a multidimensional paradigm that has been researched by the numbers of researchers (G Tom Lumpkin & Dess, 1996; Ray, Barney, & Muhanna, 2004). Generally, two approaches are used for evaluating the organizational performance, subjective approach that is mostly based on self-reporting & objective approach mostly based on financial data sets. Ellis (2006) proposed that organizations must study subjective approaches for measuring the extent of performances because it has always been problematic to gather the objective facts from the organization, due to privacy & other factors. Moreover, Jabeen & Mahmood (2014) explained that most of the time owner/managers of the firm are not willing to provide financial data; because of this our research adapted the subjective approach to calculate organization’s performance.

2. Literature Review
2.1. Innovative Leadership & Firm Performance
Transformation of 21st century & growing competition is not anything more than the modern day industrial revolution in any department of the organization by using best techniques & measures to achieve enhanced organizational performances. Innovative leadership plays an important part in enhancing the organizational performances for example, Disney’s animation studio Pixar gained success through innovative leadership and its success is only credited to its innovative leaders because they formed an atmosphere that provides the support of transmuting the creative ideas to final products. Every Pixar film comprises ‘thousands of ideas’ (Hill et al., 2014, p. 15), ideas from all associates rather than only from director & creative leaders. Thus, Pixar’s triumph is depended on the contribution from every member of the firm across all the organization functions. On the other side of the coin, many emerging & growing industries lost the battle because of lacking innovation leadership to innovate with the emerging trends & thus faced the consequences for example, Motorola dominated the industry with its phone Razr until 2003 but Motorola leaders botched to innovate more & lost the dominancy to its competitors such as Apple & Samsung & lost $4.3 Billion from 2007 to 2009 (Ante, 2011).
What is creativity? Creativity is generation of the valuable or novel philosophies or answers to the unsolved problems (Amabile, 1983; Sternberg, 1988; Weisberg, 1988). Therefore, innovation is the successful application of novel ideas or solutions to unsolved problem (Amabile, Conti, Coon, Lazenby, & Herron, 1996). As LePine & Van Dyne (1998, p. 865) defined, innovation initiates with the birth of the novel concepts & explanations that challenges & competes the existing procedures & steps. Innovation doesn’t take place without creativity therefore the leaders must promote creativity first to enable themselves for the innovation implementation. Innovation leadership is process of fostering innovation by creating a friendly environment that guides & leads the people to innovate smartly. Innovation leadership involves both things that are to innovate like a leader & to create an environment so that others try to make innovations. Innovation leadership allows the firm’s to adapt the change in continuously changing environment (Beer, Voelpel, Leibold, & Tekie, 2005). Agin & Gibson (2010) emphasized on mounting innovation culture & strategic path through leadership; Morris (2007) focused on evolving innovating culture. Innovation leadership is an essential trait to achieve strategic fit for an institute which in turn provides the highest organizational performance for a firm in all terms such as product, economic & relationship performances. Strategy is successful if innovative leadership ensures both that the firm is adding value internally against the competitive environment & an organizations is capable of shielding itself from any external threats ensuring its viability (Ghemawat & Pisano, 2001). We hypothesize that the innovation leadership boosts the organizational performances. We reason that the innovation leadership enhances organizational performances because it cultivates the context is such a way that enables the change & adaptation. Innovation leadership using high levels of attention shapes the environment into competitive landscapes (Weick, 1976) which encourages the formation & capacity to learn & progress in the high velocity environments (Beer et al., 2005) & as a result performance enhanced organization is obtained (Beer et al., 2005, p. 19).

**Hypothesis (H1)** Innovation leadership practices when implemented in an organization positively affect the performance.

### 2.2. Innovative Leadership & Organizational Ambidexterity

Organizations need innovative leaders that can do miracles & enables the firm to have a competitive advantage over the competitors. Innovative leadership & organizational ambidexterity are linked with each other, although very little researches have been done on these two traits. Organizational ambidexterity is the process or concept of making radical & incremental innovation simultaneously like using the both hands together (Fernhaber & Patel, 2012; He & Wong, 2004; Lin et al., 2013; Tushman & O'Reilly, 1996). It has been observed from the literature that an organization making competitive future innovations must make improvement using the existing resources to achieve the highest organizational performances. The two components of organizational ambidexterity are exploitation & exploration & balance must be maintained between these two in order to achieve the best results (De Clercq, Thongpapanl, & Dimov, 2013). Exploitation & exploration are critical for organization’s prosperity & long term survival (March, 1991). In other words, the organizations must deliver efficiency & incremental improvement while embracing autonomy & experimentation (innovation). Balance must
be maintained between exploration & exploitation, satisfying "The Balance Theory" and hence achieving ambidexterity (O’Reilly & Tushman, 2013). Although some researchers have shown that transformational leadership actions promotes ambidexterity (Li et al., 2015) but fundamentally no research has been done on the connection between innovation leadership & organizational ambidexterity. Research article written by Jansen et al. (2009) specified that transformational leadership is extra suitable in making exploratory innovations, while transactional leadership is extra suitable in making exploitative innovation. Structuring on such visions it has been determined by other that innovative leadership in the most accurate style of leadership that maintains the balance between the exploration & exploitation (Rosing et al., 2011). Thus, while innovative leaders boosts the people to bounce aims & implement opportunities, thus creating an environment where people trusts each other (Gibson & Birkinshaw, 2004; Zacher & Rosing, 2015). O’Reilly & Tushman described that organizations with categorized parts & errands are more operative in steady surroundings, whereas organizations with extra bendable roles & errands are more operative in dynamic environments (Burns & Stalker, 1961). This is because hierarchical arrangements enables exploitation remunerated in steady environments, while organic organizations are supposed to empower exploration rewarded in dynamic environments (March, 1991; Jansen et al., 2009). Accordingly, transformational leadership is connected with the unstable environments while transactional leadership is more suited to the environments that are stable. Therefore, innovative leadership must be used to maintain a balance between exploration & exploitations in such a way that continuous progression is made thorough novel ideas & guiding the followers to act smartly (M. Basheer, Ahmad, & Hassan, 2019; M. Basheer, Siam, Awn, & Hussan, 2019; M. F. Basheer, Hameed, Rashid, & Nadim, 2019). Innovative leadership is the best way the will guide any stable or non-stable organization to achieve ambidexterity (exploitation X exploration). Therefore, the resulting hypothesis has been proposed.

**Hypothesis (H2)** There is an obvious positive link between innovation leadership & organizational ambidexterity.

### 2.3. Organizational Ambidexterity & Organizational Performance

It has been said that the change is inevitable so we can say that there is not any market that remains stable forever thus, organization’s faces macro & micro level variations that dares them to acclimatize themselves to the turbulence & become dynamic (Balaton et al., 2014; Balaton – Tari, 2014; D’Aveni, 1994; Mészáros, 2010; Szabó, 2008). Without making changes in the current model in order, to stabilize it, an organization cannot concentrate on the future as literature suggests that the organizations in the dynamic environment are ambidextrous in nature; they are proficient in the present but have capability to look the future & adapt it (Birkinshaw – Gibson, 2004; Duncan, 1976; Tushman – O’Reilly, 1996). Long tenure triumph of an organization depends on its capability to exploit the existing proficiencies while simultaneously exploring novel processes, merchandises, competencies & markets (Levinthal – March 1993, March 1991). A fine equilibrium is required by the firm to maintain in order to compete, the existing mature & newly emerging markets (Tushman – O’Reilly, 1996). Ambidexterity refers to the phenomenon that enables the firms at the same time to track two effects,
such as efficiency & flexibility (De Clercq, Thongpapanl, & Dimov, 2013). The handling of resource & knowledge is a difficult & energetic phenomenon through which firms constantly enhances organizational performance measures by discovering new resources or ideas & by optimizing the novel blends of existing resources or ideas (e.g. Galunic & Rodan, 1998; Teece, Pisano, & Shuen, 1997). Structuring on these previous researches we can say that, organizational ambidexterity is depicted as a phenomenon accepted or implemented by the firms to synchronously grow explorative & exploitative abilities by making both radical & incremental innovation (Fernhaber & Patel, 2012; He & Wong, 2004; Lin et al., 2013). Explorative ability discusses company's capability to attain, advance & implement new hi-tech ideas, possessions & expertise in innovation; whereas exploitative ability discusses to a company's ability to improve & cultivate new usages for current ideas, resources & skills that enables the continuous upgrading in innovation (Atuahene-Gima, 2005; Lisboa et al., 2011; Yalcinkaya, Calantone, & Griffith, 2007).

The necessity for a proper equilibrium between exploration & exploitation has been emphasized by Tushman & O'Relly’s explaining the main idea of an ambidextrous organization (He & Wong, 2004). They explained that a firm capable of operating & maintaining equilibrium between exploration & exploitation has likely to attain remarkable great firm performance (Tushman & O'Relly’s, 1996). Katila & Ahuja explained that exploration of new capabilities enhances firms existing knowledge & similarly exploitation of the existing capabilities likely to provide new & innovate knowledge (Katila & Ahuja, 2002). If the balance is not made then there is a guaranteed chance that the firm may drop into success trap or fail trap. A “success trap” may be defined as the process in which organizations focuses on the exploitation of the current resources & neglects the need to explore the new market demand, thus loses ability of an organization to succeed & it eventually falls and as result those exploitive innovations may become completely useless when explorative innovation is required to stabilize the firm (Levinthal & March, 1993). Therefore, innovation has major role among the companies (W. Hameed & Naveed, 2019; W. U. Hameed, Basheer, Iqbal, Anwar, & Ahmad, 2018; W. U. Hameed, Waseem, Sabir, & Dahri, 2020; Zahra, Hameed, Fiaz, & Basheer, 2019). Contrary, the organizations may focus only on explorative innovations in a sequence causing the organization to eventually fall & this sequential fail is called “fail trap”, making companies to imitate these products & thus causing the loss of competitive advantage (Levinthal & March, 1993; March, 1991). Because of these traps there is a necessity to use these two simultaneously & to strike a balance between them for the organization’s long term survival & to achieve a competitive advantage (He & Wong, 2004). Intellectuals have also written off ambidexterity as an arrangement of dynamic proficiency (Jansen, Tempelaar, & Van den Bosch, 2009; Zimmermann, Raisch, & Birkinshaw, 2015). Organizational ambidexterity makes it hard for competitors to judge the firm's innovation process (O'Reilly & Tushman, 2008), & helps the organizations to progress effectively and efficiently, subsidizing to superior firm performance (Atuahene-Gima, 2005; Li & Huang, 2012). Recent study by Geerts, Blindenbach-Driessen, & Gemmel (2010) studied more than 500 firms over a period of 4
years & proved that ambidexterity has a significant impact on sales growth over the
years; they also differentiated the results between service & manufacturing industries.
Goosen, Bazzazian, & Phelps (2012) studied the effect with more than 500 firms over the
period of 10 years & found out that the organizations showed greater performances in a
relationship with ambidexterity. These researches provide us the detail knowledge of
ambidexterity & performance linkage. From this we propose a hypothesis.

**Hypothesis (H3)** There is a direct positive relation between organizational ambidexterity
& organizational performance.

### 2.4. Mediating Effect of Organizational Ambidexterity

Previous researches show that organizational ambidexterity may mediate innovative
leadership (Kollmann & Stöckmann, 2012) to finally enhance the performance outcomes.
Addition of ambidexterity as a mediator of IL-firm performance increases the
performance outcomes of an organization, compared to its direct effects on the
performance in terms of sales, growth & revenue. Many intellectuals have studied the
mediating effect of ambidexterity in agreement with the firm performance & quantity of
organizational attributes such as competitive strategy (Hughes, Martin, Morgan, &
Robson, 2010), proficiency in the product development (Li & Huang, 2012), learning
(Lin et al., 2013), although little research has been done on how innovative leadership
contributes to the firm performance. It has been observed that organizational trait such as
IL provide opportunities to the firm to exhibit radical & incremental innovation in a
balanced manner that finally leads to the greater firm performance (Christensen, 1995).
According to RBV theory organizational traits leads to greater firm performances if they
accurately shared & balanced to produce rare innovative capabilities (Barney, 1991).
According to the dynamic capabilities of ambidexterity, it matures over time (Hill &
(1999) described that it needs time to affect any organizational trait leading to the higher
firm performance. Firms cannot develop organizational ambidexterity from a scratch
(Helfat & Peteraf, 2007). Exploitation & exploration both helps each other to grow.
Exploitation can help achieve capacity for the exploration & novel findings (Burgelman
& Grove, 2007; Cao et al., 2009; Mom T.J.M al., 2007), similarly exploration can
enhance exploitation efforts (Cao et al., 2009). It has been observed that exploration &
exploitation are entirely different from each other having their own risks (March, 1991).
Therefore, we debate that organizational ambidexterity is an important tool through
which innovative leadership enhances the organization’s performance eventually.
the organization performances.

The “Organizational learning” theory supports the relation of innovative leadership with
organizational ambidexterity & explains that how novelty is created in an organization by
the interaction of multiple people collectively performing exploitation & exploration in a
balanced manner. These can be used to enhance the organizational performance & to
maintain a successive competitive advantage. Therefore, the following hypothesis has been
proposed.
Hypothesis H4: Organizational ambidexterity mediates innovation leadership to boost

Fig 1: Theoretical Research Framework

3. METHODOLOGY
3.1. Sample & Data Collection
The population of this research was top level management & middle level management consisting of 150 CEO’s, Directors, General Managers, Departmental HOD’s & Managers from all size & types of industries & organizations including manufacturing, services & R&D firms working in the country. The sample size of 160 was selected using non probability purposive sampling. We received responses from 150 firms, yielding a response rate of 93.33 percent. Most of the responses collected were mainly male dominated. Responses collected mostly from the educated people having minimum bachelor’s completed. The research is quantitative & descriptive & nature. Subjective approach is used to test all the variables relationship because it is very difficult for collect
the hard facts data for organizational performances due to privacy issues of all the firms. With reference to time horizon the research is cross sectional in nature, which indicates that data is collected in a single point time & then analyzed using the analysis tools. The close ended questionnaire is used as a tool for the collecting data using like-RT scale & questionnaire used is self-administered because it is relatively cheaper & respondents feel easy to disclose certain aspects of their organizations. The data collection process took place in two steps. Firstly, 30 responses were analyzed using SPSS to attain the clarity & validity of the variables, this is called pilot testing & the determination of this testing to recognize missed information to ensure that it delivers the adequate information for the analysis. After the confirmation & pilot testing, questionnaire was again emailed to 130 remaining firm’s CEO’s & Managers & total of 150 responses were collected & 10 questionnaires remained not responded.

3.2. Measures
Measures are the questions or items that were included in the questionnaire for each variable and have been used earlier by any of the researcher because of having expertise in that specific variable research.

3.2.1. Innovation Leadership
The measure was developed from Minnesota Innovation Survey to assess innovation leadership (Van de Ven & Chu, 1989) & was employed by Lovelace, Shapiro & Weingart (2001) that includes six items that are, top management team emphasizes team work, top management team clarifies individual responsibility, top management team provides clear feedback to the employees, top management team emphasizes task orientation, top management team encourages initiatives & top management team trusts the employees for the analysis or data collection. The respondents were asked to evaluate the items using five point scale (1=Strongly Disagree to 5=Strongly Agree), the degree to which leaders of their organization exhibits innovative leadership behavior. The Cronbach alpha for innovation leadership was 0.862.

3.2.2. Organizational Ambidexterity
The measure was developed from (Lubatkin 2006) that contained 12-item scale for measuring exploration orientation & exploitation orientation. The respondents were asked to assess their firm orientation for the last five years using a five point scale ranging (1=Strongly Disagree to 5=Strongly Agree). The items included for measuring organizational ambidexterity orientation are, looks for novel technological ideas by thinking outside the box, bases its success on its ability to explore new technologies, creates products or services that are innovative to the firm, looks for creative way to satisfy its customers’ needs, aggressively ventures into new market segments, actively targets new customer groups, commits to improve quality & lower cost, continuously improves the reliability of its products & services, increase the level of automation in its operation, constantly surveys existing customers’ satisfaction, fine-tunes (small adjustments) what it offers to keep its current customer satisfied, penetrates more deeply into its existing customer base. The Cronback alpha for organizational ambidexterity was 0.942.
3.2.3. Organizational Performance
We chose 11-items measure used by Delaney & Huselid (1996) to develop the multiple indicators of organizational performance. The respondents were asked to evaluate organization’s performance compared to their major competitors ranging (1=Much worse than the Competitors to 5=Much better than the Competitors) on a like-RT scale. These 11-items are narrowed down to three types of performances of an organization, ‘‘Product Performance’’, ‘‘Relationship Performance’’ & ‘‘Economic Performance’’. Items included in the measure are quality of product/services, development of new products/services, attracting & retaining talented employees, customer satisfaction, relationship between management & employees, relations among employees, growth in revenues, net profit, return on asset, return on equity, market share. The reliability of these scales and Cronbach’s alphas were 0.647, 0.848, 0.898 respectively and overall reliability of organizational performance including all the types was 0.931.

Table 3.1: Reliability of Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. of Items</th>
<th>Cronbach’s Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation Leadership</td>
<td>06</td>
<td>0.862</td>
</tr>
<tr>
<td>Organizational Ambidexterity</td>
<td>12</td>
<td>0.942</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>11</td>
<td>0.931</td>
</tr>
<tr>
<td>OA (Exploration)</td>
<td>06</td>
<td>0.829</td>
</tr>
<tr>
<td>OA (Exploitation)</td>
<td>06</td>
<td>0.911</td>
</tr>
<tr>
<td>OP (Product)</td>
<td>02</td>
<td>0.687</td>
</tr>
<tr>
<td>OP (Relationship)</td>
<td>04</td>
<td>0.848</td>
</tr>
<tr>
<td>OP (Economic)</td>
<td>05</td>
<td>0.898</td>
</tr>
</tbody>
</table>

The reliability value for all the variables given in Table 3.1 is in between 0.800 to 0.949, therefore the reliability of all the variables is very good & the data is reliable, except for OP (Product), reliability value for which is 0.687 indicating it to be acceptable but not so good.

3.2.4. Control Variables
Various studies have shown the importance of controlling the demographic variables because they likely affect the proposed relationships (Allworth & Hesketh, 1999; Hunter & Hunter, 1984; McDaniel et al., 1988). We used control variables for firm’s size, age & type. Firm’s size determines the number of resources organization may possess as well as economies of scale for an organization giving a clear advantage to innovate things over smaller sized industries. Firm’s age is the number of years since the foundations of an organization has been placed. It has been controlled because it has been seen that younger
firms’ trends to innovate more as compared to much mature firm. In the end firm’s type has been controlled across different sectors of organizations because of the impacts of potential differences present across each sector. We use control variables because these variables are mostly changing the effects that’s why we control these variables to find out the desired results of the variables.

3.3. **Analysis Tools & Techniques**

Only the complete filled questionnaires were used & each item of the questionnaire was coded. The coded data was entered in the SPPS. Firstly, reliability of each variable was calculated. The reliability of each variable must be above than 0.7. Then, Pearson correlation was calculated for determining the correlations between each variable, If its values lie between 0.50 to 1, then we can say that variables are highly related to each other. The difference between correlation & regression analysis it that, the correlation is the statistical measure of the two variables while the regression describes how an independent variable is numerically related with the dependent variable. We used Andrew Hayes Process method to study the direct & indirect effects of variables on SPSS 20.0. We test the mediating effect of organizational ambidexterity on the relationship between innovation leadership and organizational performance satisfying the Baron and Kenny’s (1986) conditions that are (1) establishing a significant relationship between the dependent variables and the independent variables; (2) establishing a significant relationship between the mediator and independent variables; and (3) showing that the significant relationship between the dependent variables and the independent variables becomes non-significant when the mediator was specified in the model. P value less than 0.05 represent the significance of the variables & positive & negative signs of the coefficients show the positive or negative effect of independent variable on dependent variable. In addition to testing our hypothesis, we explained the relation theoretically as well as experimentally.

4. **RESULTS & DISCUSSION**

150 responses were recorded that includes 15 small sized, 85 medium & 50 large sized industries. 7 industries have less than one year experience, 37 industries having 1 to 5 years of experience, 40 industries having 5 to 10 years of experience & 66 industries aging 10 years plus experience. Primary industries (22), Secondary Industries (42), Tertiary Industries (52) & Quaternary industries (34) provide response making a total of 150 industries. Sample size for each total variable is 150. It means that 150 people responded for every question of each variable. Mean of sum of all the items of innovation leadership is (23.4600) having the standard deviation of (5.16133). Mean of sum of all the items of organizational ambidexterity is (46.2467) & standard deviation achieved by this variable is (10.30666). Means of total items of organizational performance overall is (43.5933) with the standard deviation of (7.92845). Skewness of all the total variables is negative, indicating scores are clustered to the right at high values & finding the values less than the sample mean is less likely than finding the value greater than the sample mean.

We use correlation analysis for calculating the coefficient of determination, which indicates the variance of two correlating variables. First we square the r value & then
multiply it with the percentage of 100 & the results obtain will explain that independent variable explain $r^2 \times 100$ percent of variance in respondents of dependent variable.

Table 4.1: Correlation Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) IL_T</td>
<td>1</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2) OA_T</td>
<td>0.708**</td>
<td>1</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>3) OP_T</td>
<td>0.603**</td>
<td>0.806**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4) OA (E1)_T1</td>
<td>0.657**</td>
<td>0.954**</td>
<td>0.755**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5) OA (E2)_T2</td>
<td>0.694**</td>
<td>0.954**</td>
<td>0.781**</td>
<td>0.819**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>6) OP (P)_T1</td>
<td>0.573**</td>
<td>0.696**</td>
<td>0.835**</td>
<td>0.685**</td>
<td>0.642**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7) OP (R)_T2</td>
<td>0.576**</td>
<td>0.753**</td>
<td>0.921**</td>
<td>0.698**</td>
<td>0.738**</td>
<td>0.704**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>8) OP (E)_T3</td>
<td>0.519**</td>
<td>0.736**</td>
<td>0.938**</td>
<td>0.682**</td>
<td>0.721**</td>
<td>0.705**</td>
<td>0.762**</td>
<td>1</td>
</tr>
</tbody>
</table>

$N = 150$, *$p < 0.05$, **$p < 0.01$. **Correlation is strongly significant at 0.01 levels (2-tailed); *Correlation is significant at 0.05 levels (2-tailed). IL_T= Innovation Leader Total, OA_T= Organizational Ambidexterity Total, OP_T= Organizational Performance Total, OA (E1) _T1= Organizational Ambidexterity (Exploration) Total, OA (E2) _T2= Organizational Ambidexterity (Exploitation Total), OP (P) _T1= Organizational Performance (Product) Total, OP (R) _T2= Organizational Performance (Relationship) Total, OP (E) _T3= Organizational Performance (Economic) Total.

Table 4.1 indicates that all the correlation values of all the variables exhibits positive & strong correlation & are all statistically significant because $p < 0.01$ indicating strong significance.

Innovation leadership variable predicts organizational performance which is also called the total effect of X on Y. Values of $R = 0.6034$, $F (1,148) = 84.7350$, $p < 0.01$, $R^2 = 0.3641$ indicates that the relation of X predicting Y is statistically significant explaining the total effect. The relation is positively correlated $\beta = 0.9269$, $t (148) = 9.2052$, $p < 0.01$ & represented by path-c on the Fig 4.4.1. This proves that innovation leadership predicts the organizational performance for an organization, explaining the total effect of X variable on Y variable mediated by a variable M. Hence, our first hypothesis is satisfied & accepted.

Accepted $\rightarrow$ H1: There is an obvious positive relationship between innovation leadership practices & organization’s performance

Innovation leadership variable predicts the organizational ambidexterity variable & is represented by path-a on the Fig 4.4.1. Values of $R = 0.7084$, $F (1,148) = 148$, $p < 0.01$, $R^2 = 0.5018$ indicates that the relation is statistically significant. Positive relation exists between innovation leadership & organizational ambidexterity $\beta = 1.4145$, $t (148) = 12.2103$, $p < 0.01$, explaining that innovation leadership predicts organizational ambidexterity or in other words X variable predicts M.
Accepted \(\rightarrow\) **H2**: There is an obvious positive link between innovation leadership & organizational ambidexterity

In the mediation process X & M together predicts the Y variable, in other words innovation leadership & organizational ambidexterity are predicting organizational performance. In consists of two steps. Firstly, M variable predicts the Y variable; this is represented by the path-b as shown in the Fig. 4.4.1. Values \(R = 0.8069, F (2,147) = 137.1344, p < 0.01, R^2 = 0.6511\), indicates that organizational ambidexterity predicting organizational performance is statistically significant. There is a positive relationship between organizational ambidexterity & organizational performance \(\beta = 0.5829, t (147) = 10.9951, p < 0.01\), satisfying another hypothesis which we proposed.

Accepted \(\rightarrow\) **H3**: There is a direct positive relation between organizational ambidexterity & organizational performance

In the second step X variable is no longer predicting Y variable with a total effect or is lessened predicting for Y variable. In other words, innovation leadership is no longer fully predicting organizational performance or lessened predicting organizational performance. This is called the direct effect of X variable on Y variable. This is indicated by path-c` on the Fig 4.4.1. Values \(\beta = 0.1010, t (147) = 0.9521, p = 0.3426\), suggests that this relation is positive but statistically insignificant which is a good thing for calculating the mediation effect. This is not always; you might get the significant results sometimes while analyzing mediation effect.

Finally the effect of mediation is calculated by subtracting coefficient of path-c with path-c` i.e. c-c`, to obtain the final effect of mediation caused in the model. This is called the indirect effect of variable X on Y. Total effect of X on Y subtracted with the direct effect of X on Y gives us the mediation value. Values \(C-C` = 0.8259, \text{BootLLCI}=0.6443, \text{BootULCI}=1.0079\), indicates the positive mediation effect because of the positive value of C-C` obtained. If the value is negative then it indicates the negative mediation in the process. As we can see that zero is not falling between upper & lower interval of 95% confidence interval, the mediation process is statistically significant as shown in the Table 4.4.3. Thus we say that organizational ambidexterity is mediating the relation between innovation leadership & organizational performance satisfying our hypothesis.

Accepted \(\rightarrow\) **H4**: Organizational ambidexterity mediates innovation leadership to boost the organization performances

Coefficient values of all the paths for mediation model have been given below in the Table 4.2.

<table>
<thead>
<tr>
<th>Structural Path</th>
<th>Path Coefficient</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>IL (\rightarrow) OA</td>
<td>1.4145</td>
<td>**</td>
</tr>
<tr>
<td>OA (\rightarrow) OP</td>
<td>0.5829</td>
<td>**</td>
</tr>
<tr>
<td>IL (\rightarrow) OP</td>
<td>0.9269</td>
<td>**</td>
</tr>
</tbody>
</table>
The mediation effect analysis results are given in the Table 4.3.

Table 4.3: Mediation Model Effect Analysis Model

<table>
<thead>
<tr>
<th>Structural Path</th>
<th>Effect (C – C’)</th>
<th>BootSE</th>
<th>95% BootLLCI</th>
<th>95% BootULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>IL × OA → OP</td>
<td>0.8259</td>
<td>0.0920</td>
<td>0.6443</td>
<td>1.0079</td>
</tr>
</tbody>
</table>

Note: BootSE = Bootstrapped Standard Error, BootCI = Bootstrapped Confidence Interval, BootLL = Bootstrapped Lower Interval, BootUL = Bootstrapped Upper Limit, IL = Innovation Leadership, OA = Organizational Ambidexterity, OP = Organizational Performance.
5. DISCUSSIONS, CONCLUSION & FUTURE DIRECTION

5.1. Discussions
The core agenda of this chapter is to report a comprehensive theoretical & empirical analysis investigating the effects of innovation leadership on organizational performance & enhancement of the effects when a unique organizational trait known as organizational ambidexterity is used as mediator. This chapter comprises the fact about hypothesized liaison & their reasoning. As the business world becomes more worldwide & multifarious, evolving & sustaining high organizational performances is very difficult. We need specific organizational traits that help the organizations yielding higher performances. This paper results & proves that certain organizational traits such as innovation leadership when implemented with organizational ambidexterity in an organization results in higher organizational performances in terms of product, relationship & economic performances.

5.2. Conclusion
The outcomes of the research paper show maximum support for the entire hypothesized model & all the hypotheses are accepted. Innovation leadership is positively related with organizational performance. Organizational ambidexterity is positively related with organizational performance. Innovation leadership & organizational ambidexterity are positively correlated with the organizational performance & mediation analysis shows that the mediation effect of organizational ambidexterity on organizational performance is quiet significant & positively high.

In under developed countries such as Pakistan, very few studies theoretically & empirically analysed the impression of innovation leadership & organizational ambidexterity on organizational performance. This research helps us to understand the concept of innovation leadership & organizational ambidexterity & their effects comprehensively. The role innovation leadership as an independent variable & organizational ambidexterity as a mediator for achieving top organizational performance has never been studied which makes our research distinct & novel. The fallouts of this research contribute to the prevailing body of knowledge about innovation leadership & organizational ambidexterity affecting every type of organization in Pakistan, where people have limited knowledge of innovation leadership & organizational ambidexterity. The consequences of this research will help the organizations in an under developed country like Pakistan, to create maximum performance environment with the help innovation leadership & organizational ambidexterity. There are a lot of practical implications for this research. This is perhaps the first study conducted on innovation leadership as an independent variable & organizational ambidexterity as a mediator; therefore this research holds the utmost importance. Practically, achieving innovation leadership & organizational ambidexterity is really difficult but not impossible that directs the organization in achieving radical and incremental innovations simultaneously.
These characteristics will allow the organizations to achieve maximum efficiency in terms of product, relationship (process) & economic performances.

5.3. Limitations & Future Research Directions
Through the finding of the research are profitable but a part from theoretical & practical implications, there are few limitations in the present research which needs to be considered. The sampling technique used was non probability purposive sampling. The sample size of the research was inadequate, therefore in order to get more inclusive information a large diverse sample need to be considered. The sample of the research was from both the public & private organizations, as the culture of both government & private organizations in Pakistan is completely different therefore, a specified research need to be done on both government & private organizations separately. The sample data was collected from different types, size & ages of industries, therefore there is gap of research for studying the effect of innovation leadership & entrepreneurial orientation on specific type, size & age of an organizational in detail.

Different types of leadership styles can be used study the increase in organizational performance. Future studies may authenticate our findings with divisions of different entrepreneurial orientation dimensions such as innovations, pro activeness & risk taking. Future investigation may also profit from evolving an active way to assimilate different directories of innovation leadership & entrepreneurial orientation. These integrations will provide industries a better way to implement innovation leadership & organizational ambidexterity as a result of achieving higher organizational performances. Organizational ambidexterity mediation effects could be researched with other various management practices & organizational dimensions such as entrepreneurial orientation, creativity, environmental munificence, performance management, risk taking, capability based HRM, pro innovation culture etc. Different moderators affecting innovation leadership & organizational ambidexterity can be studied such as environmental dynamism, competitiveness, market orientation, technological turbulence, scope, resource endowment etc.

6. REFERENCES


