"Impact of Entrepreneurial Skills on Business Growth, Considering the Mediating Role of Leadership Styles"

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ABSTRACT

The present study investigates the relationship between entrepreneurial growth, leadership styles, and business growth. The study considers three factors, which relate to the Leadership styles (a mediating variable): Transformational Leadership (TL), Transactional Leadership (TS),and Laissez-Faire Leadership (LF). The independent variable on the other hand, Entrepreneurial Skills (ES) included factors of Strategic Competence, and Ethical Competence. At the end, the dependent variable Business Growth was measured through factors including firm growth, market share, vice versa. For the purpose of the research total two hundred responses were collected. The type of data used in the research is primary data. The results are revealed by using three different tests including the descriptive analysis, correlation analysis and linear regression method. The IBM SPSS software is used to conduct the results. Some authors suggest that entrepreneurial skills along with some leadership styles have positive impact on growth of new businesses, while some authors suggests that some of leadership styles has negative impact on the growth of businesses. This study findings suggest that Entrepreneurial Skills along with the three leadership styles has significant positive relationship with Business Growth. Finally on the basis of results conducted we are saying that the entrepreneurial skills along with the mediation of the leadership styles has its significant positive relationship with the growth of businesses in Pakistan. The study is equally beneficial and useful for the future researchers and for the entrepreneurs of Pakistan to improve their profitability by focusing more on the type of leadership that aids in the growth of new businesses.

Key words: Entrepreneurial Skills, Strategic Competence, Ethical Competence, Leadership Styles, Transformational Leadership, Transactional Leadership, Laissez-Faire Leadership, Business Growth

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DEDICATION

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Impact of Entrepreneurial Skills on Business Growth Considering The Mediating Effect of Leadership Styles

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1 CHAPTER – INTRODUCTION

In the continuous-evolving landscape of business, the entrepreneurial skills and abilities acts as catalyst in acknowledging the organisational success. As organisations struggle for success, fostering innovations, adapting to market dynamics, tapping into available opportunities, and in the navigation of complexities the capabilities of their leaders, and their strategic approach to particular situations plays an integral part. However, this complex relationship between entrepreneurial skills and business growth is not fully understood, therefore requires to be understood through a comprehensive exploration.

The business world, with many start-ups launching every day, has a harsh truth: most of these businesses fail. In this tough environment, global unemployment has become a big problem, made worse by the fast growth of the world's population. The shortage of jobs for the growing population has put pressure on economies, making it necessary to create a system that supports self-employment and entrepreneurship to give hope to the unemployed. However, there is still a lack of research on how to foster entrepreneurial mindset in young graduates.

This study aims to explore the versatile dynamics between the variables of entrepreneurial skills and business growth, with major focus on the mediating role of variable of leadership styles in the relationship. Entrepreneurial skills consisting of traits such as risk-taking ability, strategic decision-making, creativity, adaptability to market dynamics, are defined as the pivotal drivers of innovation and competitiveness. Yet, the degree to which entrepreneurial skills translate into sustained business growth remains an inquiry, particularly while considering the mediating role of leadership styles.

Leadership styles, varying from autocratic, demographic, transformative, and vice versa drastically shape every organisation's culture, and their decision-making processes. Interpreting the mediating impact of leadership styles on the relationship between entrepreneurial skills and business growth becomes essential for refining the practices of organizations and to optimize the impact of entrepreneurial activities. This research aims to address the issue by examining the possible mechanisms through which leadership styles can mediate the impact of entrepreneurial skills on the organizational success.

This research aims to provide valuable insights for entrepreneurs, business leaders, and policymakers through a structured analysis of these relationships. By interpretation of the

details of entrepreneurial skills and leadership styles, this research aims to contribute to a more informed approach to leadership development, fostering an environment beneficial to sustainable business growth in the face of present-day challenges. Through this, the study not only aims to advancing the theoretical understanding but also offering practical implications for those studying the dynamic landscape of entrepreneurship and organizational leadership.

1.1 Background of the study

Entrepreneurial skills are considered a crucial tool in the success and sustainability of the businesses in developing countries like Pakistan. This paper reviewed a range of studies on entrepreneurial skills and business growth and identified key factors that determined the role of entrepreneurial skills in promoting entrepreneurship considering the mediating role of leadership styles. This research paper aimed to analyse the impact of entrepreneurial skills on business growth considering the mediating role of leadership styles.

Pakistan is an emerging economy where a large segment of its population lives below the poverty line. The government of Pakistan has introduced numerous poverty reduction programs over the recent years to reduce poverty and promote economic development in Pakistan, these programs included Ehsaas program, BISP, etc. Other than that, new startups can have a substantial impact on the economic development of Pakistan. As they create jobs, foster innovation, attract foreign investments and vice versa. They also address local challenges such as healthcare and education, bringing about social education. Successful startups inspire others making them vital for development of Pakistan.

The objective of this research study is to analyse the impact of entrepreneurial skills on business growth considering the mediating role of leadership styles.

1.2 Research Gap

(Tehseen et al., 2019a) emphasizes the need of the arc to study the impact of other factors other than the network competence, as entrepreneurship is a vast field that needs to be more studied to be explored well.

(Shahzad et al., 2021a) also emphasizes on the need to educate individuals by providing them with knowledge and skills to young graduates to help them in starting their businesses. The study showed that network competence in individuals interested in starting a business, acts as

strategic advantage to future possible challenges including low productivity, failure risks, and vice versa. Network competence enables one to have access to critical resources, such as market information, market knowledge, technology advancements, customer insights, etc. Individuals will be able to overcome difficulties and increase their willingness to start a business.

1.3 Problem Statement

This study examines how leadership styles mediate the relationship between entrepreneurial skills and business growth, exploring the relationship between these factors. The role of leadership in enhancing the impact of entrepreneurial skills on organizational success is underexplored, despite its importance.

This research aims to address this gap by analysing how leadership styles impact the link between entrepreneurial skills and sustained business growth, along with providing useful insights for practitioners and policymakers facing the challenges of today's dynamic business environment.

1.4 Research Questions

The main research questions of this study are:

- What is the relationship between entrepreneurial skills and business growth?
- How do different leadership styles impact the business growth?
- To what extent do leadership styles mediate the relationship between the entrepreneurial skills and business growth?

1.5 Research Objectives

To cope with the uncertain and highly competitive business environment, organizations need a new kind of management—entrepreneurial leadership. This leadership style, unlike the conventional one, depends on personal impact rather than just formal power. Instead of traditional managers, entrepreneurial leaders use their personal strength to solve organizational problems effectively.

This study highlights the importance of entrepreneurial leadership for achieving organizational success, as SMEs play a key role in the economy of a nation. It also offers useful insights for businesses that operate in the dynamic environment of Pakistan.

The main research objectives of this study are:

- To study the impact of entrepreneurial skills (ES) on business growth (BG).
- To analyse the impact of various leadership styles (LS) on business growth (BG).
- To study the mediating role of leadership styles (LS) in the relationship between entrepreneurial skills (ES) and business growth (BG).

1.6   Scope of Study

The world's population growth exceeds the availability of jobs, creating a serious unemployment problem. Entrepreneurship is a key strategy to promote self-employment and support economic sustainability. However, the entrepreneurial sector in Pakistan struggles with barriers such as insufficient knowledge, skills, and innovation among its participants, leading to a high failure rate of new businesses.

This research focuses on analysing the impact of entrepreneurial skills and abilities on business growth, with the detailed analysis of the mediating role of leadership styles in this relationship. The study will cover a diverse range of organizations, distinguishing that the dynamics between entrepreneurial skills and business growth may differ across numerous organizational structures.

The study will mainly be conducted on entrepreneurs of different scales of businesses, and organizational decision makers. A survey will be conducted to collect insights on entrepreneurial skills common in numerous organization setups, the leadership styles they use, and the collective impact on their business growth.

The study will be conducted in Islamabad, and Rawalpindi, acknowledging that entrepreneurial landscapes and leadership practices varying across different entrepreneurs and their organisation setups. The research aims to provide a comprehensive overview of the topic, acknowledging the potential variations in the relationships of the variables under study.

The study's findings and conclusions will be drawn within the duration of this research initiative. The research on impact of entrepreneurial skills on business growth with the mediating role of leadership style aims to contribute valuable insights that are both applicable and relevant to entrepreneurs, business leaders, and policymakers seeking to enhance

businesses growth through a strategic combination of entrepreneurial skills and effective leadership styles, by restricting the study within these parameters.

1.7 Significance of Research

This study's contribution to the body of knowledge about how entrepreneurial skills affect business growth in underdeveloped nations, particularly Pakistan, is what makes it significant. By examining the mediating function of leadership style acquired by entrepreneurs, this study intends to close the research gap.

The study's findings can also be useful for researchers and experts in the field of entrepreneurship, providing strategic insights for entrepreneurs, and corporate leaders, guiding them in leveraging innovative entrepreneurial skills and practices to drive sustainable business expansion. The research also provides insight into the factors that contribute promoting small business or entrepreneurial growth.

Entrepreneurial ventures have broader benefits, not just for individuals, but also for the dynamic and changing economy. By adopting flexible business models, young graduates can drive technological innovation, and boost productivity. This research offers a strong basis for inspiring young graduates to start venture capital businesses, creating a mutual benefit between individual goals and economic growth.

The research would also help students to make better decisions about becoming entrepreneurs, encouraging them to create their own businesses rather than looking for jobs. It supports learning opportunities for entrepreneurship to develop a favourable mindset towards starting a business, achieving results, and solving problems. This can also help Pakistan's economy grow a lot.

The research focuses on how starting new businesses would help solve the unemployment problem in Pakistan. By encouraging people to become entrepreneurs, the country can improve its economy and lower the unemployment rate.

Policymakers can better understand the role of entrepreneurial skills to encourage entrepreneurship for economic development in developing countries by identifying the potential mechanisms to promote entrepreneurship from this study.

1.8   Thesis Structure

This research is conducted with the objective to investigate the impact of entrepreneurial skills on business growth with the mediating role of leadership styles. This research study is divided into six different chapters and concluded with recommendations and references.

The Chapter-1 of this study is combination of the introduction and background of the research study, problem statement, the research gap, combined with research questions, research objectives, and significance of the study.

In chapter 2 this study discusses a review of the literature related to entrepreneurial skills, leadership styles (including transformational leadership, transactional leadership, and laissez-faire leadership), and business growth and the relationship between the variables accordingly. The relationship is be presented by graphical illustration of the research framework highlighting independent variable, dependent variable, and mediating variables along with the research hypotheses.

Chapter 3 discusses the methodology employed in this study for evaluating the theoretical construction that has been discussed in previous chapters. This chapter includes explanation about research design, research variable, data population, data sample, data collection, data analysis and data validity and reliability.

Chapter 4 elaborates the combination of data findings and data analysis through descriptive statistics, reliability test, linear regression, correlation etc. Chapter 5 in this study discussed about the conclusions based on the results of the analysis undertaken to prove the hypothesis of the study. Chapter 6 highlights few recommendations based on our findings and results of this study. Followed by References & Appendix at the end.

2   CHAPTER – LITERATURE REVIEW

(Tehseen et al., 2019b) study had two main objectives. First, it found out how entrepreneurial skills, especially strategic and ethical skills, affect how much small and medium enterprises (SMEs) grow. Second, it tried to understand how network skills function as a link between these skills and small and medium enterprises (SMEs) growth. The study found that strategic and ethical skills impacted the business growth more when network skills were added as a link, proposing that network skills help entrepreneurs use their strategic and ethical skills to grow their small and medium enterprises (SMEs). It resulted that having strategic and ethical skills and using network skills well can make a significant difference for small and medium enterprises (SMEs) growth. Entrepreneurs should not only work on their own skills but also use their networks well to keep growing in the tough business environment.

(Indriarti et al., 2020) suggested that industry has moderate criteria for entrepreneurial skills, innovations, and business success. The study also shows that entrepreneurial skills and innovations have a strong impact on business success. Entrepreneurial skills are particularly important for business success in any sector, while innovations have a weak effect on business success within the knitting industry specifically.

(Shahzad et al., 2021b) explored how self-drive, family encouragement, peer pressure, and institutional support affect the desire to start a business. It also analysed how entrepreneurial abilities, risk-taking, and creativity influence this relationship. It showed that these factors had a strong and positive impact on the entrepreneurial aspiration. The mediating variables strengthened the connection between the drivers and the outcome. The statistical analysis revealed differences in gender and education, with male and post-graduate students showed stronger outcomes within the theoretical framework. These results provide clues about the traits of people who want to start businesses. Especially, male, and post-graduate students have a higher tendency toward entrepreneurship.

To be competitive in the market, companies need to use open innovation strategies to cope with complex changes (Yun et al., 2017) . The research shows how the causes and personal features affect business performance, suggesting that using open innovation methods can help businesses stand out in the market. Being innovative shows that a company is willing to try new technologies and ideas, especially in businesses that focus on customers, where launching new products and services boosts business performance (Yun et al., 2017). Research showed

that being innovative helps create new ways and achieve remarkable results in entrepreneurial ventures. It also improves people's learning skills, leading to better overall performance, measured by business expansion, asset creation, market share, and product demand. Businesses that use innovative methods break away from conventional ways of doing things, showing that they are willing to take risks to pursue new opportunities.

To establish a successful business, entrepreneurs need to have outstanding abilities and talents that influence the growth and longevity of their organization. A crucial factor in group dynamics is entrepreneurial leadership, which involves making choices, taking accountability, and motivating followers (Sandybayev, 2019).

According to (Riaz & Haider, 2010), effective entrepreneurial leadership is essential for achieving organizational success and expansion. The findings indicate that entrepreneurial leadership can improve organizational performance when applied correctly, giving a competitive edge. Organizations should adopt policies that foster innovation and promote entrepreneurial leadership.

Successful entrepreneurs have natural leadership skills or qualities (Asoba & Mefi, 2021). Study showed that they have a mix of entrepreneurial and leadership traits, such as passion, vision, creativity, risk-taking, and decision-making, which help them achieve their objectives effectively. This proactive approach is crucial for overcoming challenges and catching up with the world's top performers.

Small and medium enterprises (SMEs) are vital for the economy of nations (Manzoor et al., 2021), (Gherghina et al., 2020) and it is important to understand how entrepreneurial leadership affects their performance. Studies explored the link between entrepreneurial leadership and performance by analysing data from small and medium enterprises (SMEs) resultantly showing a positive relationship between entrepreneurial leadership factors and performance and found that leaders with an entrepreneurial mindset gain more from entrepreneurial leadership style to boost their performance.

(Rahoo et al., 2023) (Kamaru, 2023) proposed how entrepreneurial and business management skills are crucial for open economies, as they help micro, small, and medium enterprises (MSMEs) to run effectively, grow, and last long. These businesses are important for the economy, but they often face challenges in growing due to lack of skilled workers, government rules, and limited capital. The study had found out how much micro, small, and medium

enterprises (MSMEs) in Nairobi Kenya developed their entrepreneurial and business management skills and to see how these skills affected their growth. The study used a cross-sectional survey method. The study revealed that entrepreneurial skills and business management skills development had a significant impact on the growth of micro, small, and medium-sized businesses in Nairobi County. The study concluded that developing entrepreneurial and business management skills enabled micro, small, and medium-sized businesses to grow rapidly. The study recommended micro, small, and medium-sized enterprises (MSMEs) to improve their innovation and success by having clear and specific objectives, utilizing market opportunities, and creating a culture of innovation.

The research revealed that developing entrepreneurial and business management skills has a positive and significant impact on how much micro, small, and medium enterprises (MSMEs) grow. The study recommended that enhancing both skills by one unit leads to one unit of growth for MSMEs in Nairobi, Kenya. It highlighted the importance of working together to boost and support both skills to help micro, small, and medium enterprises (MSMEs)grow and succeed in the area. The results emphasize the importance of developing entrepreneurial and business management skills for long-term growth of businesses.

(Rahoo et al., 2023) The importance of information technology and entrepreneurial abilities has increased in recent years. Technology helps businesses grow every day. This study examined how information technology (IT) and entrepreneur skills (ES) influence business success (BS). It measures how information technology affects the link between entrepreneur skills and business success. Results showed that entrepreneur skills (ES) had a positive relationship with business success (BS), and that information technology (IT), which functioned as a mediator, also had a positive relationship with both entrepreneur skills (ES) and business success (BS).

There are numerous studies that tried to find out how self-drive, family help, peer effect, and institution help affect the desire to be an entrepreneur, measuring the effect by looking at entrepreneur skills, willingness to take risks, and creativity. (Shahzad et al., 2021b)Self-drive, family help, peer effect, and institution help had a positive and significant effect on how much these young graduates wanted to be entrepreneurs (Shahzad et al., 2021a). Also, the study found that entrepreneur skills, willingness to take risks, and creativity functioned as a link between these factors and the desire to be entrepreneurs.

(O'Reilly et al., 2010) highlights the importance of how leaders act in impacting the performance of teams and organization. But one key issue that needs more attention is how top managers make sure that their decisions are executed well across distinct levels of the organization. Keeping in mind the fact that most organizations have more than one leader, it is clear that no one leader works alone. The study focuses on how leaders at various levels work together to make the strategic plan work well, especially when an organization changes its direction.

(O'Reilly et al., 2010) explored the complex relationships between how well leaders at various levels work and how they achieve a substantial change plan in organizations. The results showed that the real change in making things better happens when the leaders at various levels work well together. Basically, how leaders go beyond their own job descriptions and spreads into the impact they have on leaders at other levels in the organization. An overall view of how well leaders work that becomes the key for making big improvements. The meaning of these results echoes in the field of leadership studies, suggesting a new way of thinking about how leaders at various levels work together to make employees do better.

Also, this research asked for a recent look at how to think about leaders, pushing for a broader view that sees leaders at different ranks as important parts of a united leadership system. This group view recognizes the connection between how well leaders work at each level, stressing the need for working together in guiding organizations to perform well.

The results from this research added to the existing literature on leaders by focusing on the value of seeing leaders at different firm ranks as a group. It questioned the idea that how leader's matter is limited to their own jobs and shows the need for agreeing across rank levels for doing well with the adoption to change. The research also admits the challenges of leader studies, By looking at how workers rate leader acts.

The study results showed that how well leaders work is a combined effect, reaching its peak when leaders at diverse levels are all valued for their work. This view has given a better understanding of how leaders affect the employees work, adding to the discussion on good leadership ways. As organizations deal with the challenges of their rank systems, taking a group leadership view becomes particularly important for using the full power of how leaders impact organizational success. The research concluded that to make things better from a tremendous change, both top and lower leaders need to communicate well. This went with the idea that

leaders at various ranks need to work together to make the organization perform well (Hunter et al., 2007). As firms deal with changing situations, seeing the link between leaders at different ranks becomes particularly important for doing well with big plans and, in the end, firm success.

2.1 Theoretical Literature Review

The theoretical literature review for the study on the impact of entrepreneurial skills on business growth, considering the mediating role of leadership styles, can draw on several relevant theories. One potential theoretical framework involves integrating elements of entrepreneurship theories, leadership theories, and organizational behaviour theories.

2.1.1 Resource Based View (RBV)

The Resource-Based View (RBV) perspective offers a strategic framework to illuminate the intricate dynamics of entrepreneurial skills, leadership styles, and their collective impact on competitive advantage and business growth within the knitting industry. In this study, entrepreneurial skills such as innovation and risk-taking are viewed as strategic resources that confer a competitive edge. Firms possessing robust entrepreneurial skills can leverage these capabilities to distinguish themselves in the highly competitive industry.

Leadership styles, considered organizational capabilities, play a pivotal role in shaping how entrepreneurial skills are cultivated and applied within the organization. The interplay between leadership styles and entrepreneurial skills becomes a critical factor in influencing the firm's internal dynamics and strategic orientation. Different leadership styles influence how entrepreneurial skills are harnessed, translated into value creation, and ultimately contribute to business growth.

Furthermore, the RBV underscores the notion that sustainable competitive advantage arises when resources are valuable, rare, and difficult to imitate. In the context of this study, entrepreneurial skills, when effectively led and managed, become a source of sustainable competitive advantage for firms in the industry. This advantage positions them for long-term success in the market dynamics.

The dynamic capabilities perspective within RBV becomes crucial, emphasizing the need for firms to adapt to changing environments. Entrepreneurial skills, coupled with adaptive

leadership styles, empower firms in the industry to navigate dynamic markets, foster innovation, and respond more accurately to challenges. In essence, the RBV framework provides a comprehensive understanding of how entrepreneurial skills and leadership styles synergize to form the bedrock of competitive advantage, organizational capabilities, and sustainable business growth.

2.1.2   Entrepreneurship Theories

2.1.2.1   Opportunity Theory

Entrepreneurial skills contribute to the firm's resource base, influencing its competitive advantage and growth. In the context of this research study, opportunity theory refers to the idea that entrepreneurial activity is driven by the identification and exploitation of opportunities. Entrepreneurs assess market conditions, identify gaps or needs, and leverage their skills and resources to capitalize on those opportunities. The theory underscores the importance of recognizing and seizing favourable circumstances, such as emerging markets, technological advancements, or unmet customer needs, as key drivers of successful business ventures. Entrepreneurial skills aid in recognizing and exploiting opportunities, directly impacting business growth.

2.1.3   Leadership Theories

2.1.3.1   Transformational Leadership

Transformational leadership involves leaders inspiring and motivating employees to reach their full potential and exceed performance expectations. This leadership style is often associated with innovation, adaptability, and a focus on long-term goals. Transformational leaders cultivate a shared vision, encourage a culture of collaboration, and empower employees to contribute creatively to organizational success. This approach can lead to increased employee engagement, improved organizational performance, and a more adaptive and resilient business environment. It helps in examining how transformational leaders enhance entrepreneurial skills and subsequently foster business growth.

2.1.3.2   Transactional Leadership

Transactional leadership in business perspective refers to a style where leaders focus on the exchange of rewards and punishments to motivate and manage their teams. It involves clear

structures, well-defined roles, and performance expectations, with rewards for meeting objectives and consequences for falling short. This approach emphasizes routine tasks and adhering to existing processes to achieve organizational goals. It makes us understand the transactional elements in leadership that may influence the utilization of entrepreneurial skills for growth.

2.1.3.3   Laissez-Faire Leadership

Laissez-Faire leadership in business refers to a hands-off approach where leaders grant considerable autonomy to their team members. This style emphasizes minimal interference, allowing employees to make decisions and solve problems independently, making them empowered. While it can foster innovation and a sense of ownership, it may lack direction and coordination if not carefully implemented. Successful application often requires an initiative-taking and skilled team.

2.1.4   Organizational Behaviour Theories

2.1.4.1   Social Cognitive Theory

Social cognitive theory underscores the significance of observational learning and modelling for individuals within organizational settings (Bandura, 2012) . It emphasizes how employees learn from observing their colleagues, leaders, and the consequences of actions, influencing their behaviour, attitudes, and professional development. Additionally, the theory underscores the role of self-regulation and the dynamic interplay between personal factors, behaviour, and the work environment in shaping professional conduct within a business context.

Social cognitive theory is essential in examining the interaction between entrepreneurial skills, leadership styles, and business growth. The theory speculates that individuals learn through observation, with successful entrepreneurs and leaders serving as models. Aspiring entrepreneurs, influenced by observational learning, adopt, and apply these skills, enhancing their self-efficacy. Entrepreneurial skills, when effectively demonstrated, contribute to positive reinforcement and confidence. In the study of business growth, leadership styles function as mediators, embodying the observed entrepreneurial skills and influencing organizational culture. Social cognitive theory offers a lens to understand how observational learning, self-efficacy, and reinforcement collectively shape the impact of entrepreneurial skills on business growth, mediated by leadership styles in the dynamic business environment. It helps in

investigating how observational learning and social influence within organizations shape entrepreneurial skills and leadership styles promoting the growth of businesses.

2.1.4.2 Goal-Setting Theory

The goal-setting theory is applied to enhance organizational performance. It involves setting specific and challenging objectives for employees, teams, or the entire organization. These goals should be measurable and aligned with overall business objectives. The theory suggests that clear goals can motivate employees, improve focus, and lead to higher levels of productivity and success. Regular feedback and commitment to achieving these goals play crucial roles in the effectiveness of this approach. Analysing how entrepreneurial skills, guided by effective leadership, contribute to setting and achieving growth-oriented organizational goals. (Locke & Latham, 2013)

2.2 Conceptual Definitions

2.2.1 Entrepreneurial skills:

Entrepreneurial skills are a set of competencies, attributes, and capabilities that enable individuals to identify, create, and exploit business opportunities. These skills include a mix of creativity, risk-taking, strategic thinking, problem-solving, and adaptability, allowing entrepreneurs to overcome challenges, innovate, and contribute to the success and growth of their ventures. Entrepreneurial abilities are important for creating extensive social connections and promoting fair competition in the market, especially in the setting of emerging and expanding economies. These abilities complement other skills like communication and leadership, vital for efficiently managing the changing challenges within the market.

Entrepreneurial skills are essential for achieving entrepreneurship, especially in managing unstable and risky situations. Experts have highlighted the key role of entrepreneurial skills & abilities in acknowledging the success of entrepreneurs have in such difficult scenarios (Cooney, n.d.) (Bahuguna & Dangwal, 2021). These abilities enable the creation of innovative products, acting as a way to generate economic value for entrepreneurs. The connection between entrepreneurial abilities and aspiration has been emphasized in prior studies (Abdul, 2018), showing a positive correlation between these factors. Remarkably, entrepreneurial achievement is found to depend more on these abilities than on aspects such as experience or formal education. The connection between innovativeness and better entrepreneurial decisions shows the importance of creative thinking in forming individuals' entrepreneurial goals.

Entrepreneurial abilities, therefore, play a key role in benefiting entrepreneurs in uncertain situations, leading to better overall outcomes. While their facilitating role in improving feasibility and providing insight of entrepreneurial aspiration is recognized, further examination of this aspect remains a topic of inquiry in the current literature. In summary, entrepreneurial skills bridge between antecedents of entrepreneurial aspiration and the career decisions individuals make in launching new business ventures.

Entrepreneurial abilities, risk-taking tendency, and creativity are linked factors that boost entrepreneurial aspiration. These abilities enable entrepreneurs to manage uncertain situations, make crucial choices, and apply novel methods. Family, peer, and institutional

backing strengthen these qualities, creating a favourable environment for entrepreneurial achievement.

Research indicates that enhancing entrepreneurial abilities positively influences entrepreneurial aspiration, particularly in situations marked by uncertainty. Some entrepreneurial abilities are intrinsic, while others are acquired and refined through practical project experiences. This study focuses on how these skills & abilities impact the success of the launch of new business ventures.

2.2.2 Business Growth:

Business growth is a complex concept that covers the expansion and development of a company's operations, market presence, financial performance, and overall value. It involves a rise in various indicators, such as revenue, market share, customer base, geographical reach, and organizational capabilities. Business growth indicates the positive evolution and advancement of a business entity over time.

A study among university students showed a strong positive link between entrepreneurial abilities and aspiration, emphasizing that a large part of entrepreneurial success depends on the entrepreneurial skills & abilities rather than on conventional indicators for instance experience or education. The possibility for long-term expansion in the entrepreneurial start-ups is credited to the entrepreneurial skills, acknowledging them as vital factors for recognition and value generation.

2.2.3 Leadership Styles:

Leadership styles are the unique approaches and behaviours used by individuals in authority positions to influence and guide a group or organization. These styles include a variety of leadership philosophies, decision-making methods, communication strategies, and interpersonal interactions that leaders use to inspire, direct, and manage their teams.

Leadership styles has been a key and disputed topic in organizational studies. Experts have argued about the importance and meaning of different leadership

styles, with focus on different type of leadership styles (Smith et al., 2004) (says, 2020). Previous studies showed that leaders do have a lot of power on how well organizations performances (Akparep et al., 2019) (Bwalya, 2023). (O'Reilly et al., 2010) proposed that the usual way of looking at single leaders might not show the whole picture of how leaders' effect on how well the organization performs. By seeing that leaders work in a linked system and that their work quality comes together to make the organization do better, researchers and professionals learn more about the details of leadership styles and their impact on organization growth. (Yun et al., 2017) identified three kinds of innovations—open, closed, and social— that show how entrepreneurs can operate and compete effectively. Entrepreneurial leadership is especially useful at the initial stage of a business, where the leader-entrepreneur acts as an innovator, making decisions and creating a casual environment for teamwork. Being innovative also affects how people think and function as entrepreneurs, and how they use innovativeness to improve their business plans. The performance of a firm is influenced by many factors, but one of the most important ones is leadership. Leadership style affects how an organization operates and achieves its goals (Sandybayev, 2019).

2.3 Operational Definitions

2.3.1 Entrepreneurial skills:

While elaborating the operational definition, Entrepreneurial skills are a set of competencies, attributes, and capabilities that can be measured through specific behavioural patterns, and traits of any individual. It evaluates any individual's ability to being creative, and adaptable, having futuristic strategic approach, identifying his ability to understand market gaps, risk-taking ability, strategic decision-making ability, allowing one to overcome challenges, innovate, and contribute to the success and growth of the venture. Quantitative indicators for instance, revenue growth, profitability, adaptability to market dynamics, etc can be used to measure entrepreneurial skills.

(Tehseen et al., 2019b) implied that entrepreneurial skills can be operationalized via studying the Strategic competencies (i.e., identification of long-term problems, Awareness of projected direction, Alignment with business goals, Redesigning

business to meet long-term goals, etc.,) and Ethical competencies (i.e., Promise keeping, Telling truth, Honest marketing practices, Transparency in business dealings, Commitment towards fair prices, Taking actions' responsibility, etc.,).

2.3.2 Business Growth:

Business growth can be measured via KPIs i.e., Key Performance Indicators, and numerous metrics such as increased income, market share, customer reach, customer base, organizational capabilities, geographical reach, profit margins, operational efficiencies, and vice versa. It basically measures company's development and success over the period of time. (Tehseen et al., 2019b) operationalized the variable of business growth via studying the factors of businesses success or growth through its sales, market share, cashflows, number of employees, etc.,

2.3.3 Leadership Styles:

The variable of leadership style can be characterized into two categories for making it operationalized, it can be measures via studying the behaviour patterns of individuals and their decision-making patterns as well. There are various leadership varying with individuals' behavioural patterns. This study measured the leadership style of individuals via the Multi-factor Leadership Questionnaire i.e., MLQ (Bass & Avolio, 2011) . The questionnaire MLQ-6 measures three types of leadership under consideration including Transformational, Transactional, and Laissez-Faire leadership styles. The multi-factor leadership questionnaire consisted of twenty-one items to study the type of leadership of an individual either its Transformational, Transactional, or Laissez-Faire leadership style.

2.4 Theoretical Framework

The study would be based on a broad perspective to examine how entrepreneurial skills, leadership styles, and business growth are related. By integrating knowledge from different fields of study, to build a strong basis for analysing how these factors affect and shape organizational results.

2.5   Description of The Variables Involved

The study involves three variables independent variable, dependent variable, and a mediating variable. The outcome or dependent variable is the result being observed, the driver or independent variable is the variable being changed or examined for its impact, and the mediating variable helps to elaborate the link between the other two variables.

These variables are elaborated as follows:

- Independent Variable (IV): Entrepreneurial Skills (ES)
- Dependent Variable (DV): Leadership Styles (Transformational (TL), Transactional, and Laissez-Faire)
- Mediating Variable (MV): Business Growth (BG)

The independent variable is the variable that has been changed or adjusted to measure its impact on the outcome or dependent variable. Being the assumed driver or independent variable, Entrepreneurial Skills (ES) (i.e., Identification of long-term problems, Awareness, Strategic Competency, Ethical Competency, etc.,) is the independent variable of this research study to explain how changes in these skills may affect the outcome variable, which is Business Growth Indicators.

Business Growth (i.e., sales increase, market share, cash flows, employees, etc.,) is the outcome variable as they are affected by the impact of other factors, such as leadership styles, and entrepreneurial skill se, being the variable that this research measure to evaluate the influence of the independent variable(s).

Lastly, the mediating variable helps to clarify the method by which the independent variable affects the outcome variable, providing the understanding of the reason or the way the relationship exists. In the context of this study, Leadership Styles (LS) (i.e., Transformational, Transactional, Laissez-Faire, etc,.) is mediating variable as it would clarify the method by which entrepreneurial skills affects Business Growth Indicators. The study examines whether leadership styles mediate the link between entrepreneurial skills and business growth.

2.6 Hypothesis Formulation

As per the theoretical study of this research, following hypothesis can be devised:

- H0: There is no significant positive Correlation between Entrepreneurial Skills (ES) and Business Growth (BG).
- H1: There is a significant positive Correlation between Entrepreneurial Skills (ES) and Business Growth (BG).
- H2: Transformational Leadership (TL) mediates the relationship between Entrepreneurial Skills (ES) and Business Growth (BG).
- H3: Transactional Leadership (TS) mediates the relationship between Entrepreneurial Skills (ES) and Business Growth (BG).
- H4: Laissez-Fair Leadership (LF) mediates the relationship between Entrepreneurial Skills (ES) and Business Growth (BG).

2.7 Graphical Representation of Theoretical Framework

The theoretical framework consisting of the graphical representation of these variables involved in the research can be drawn as follows:
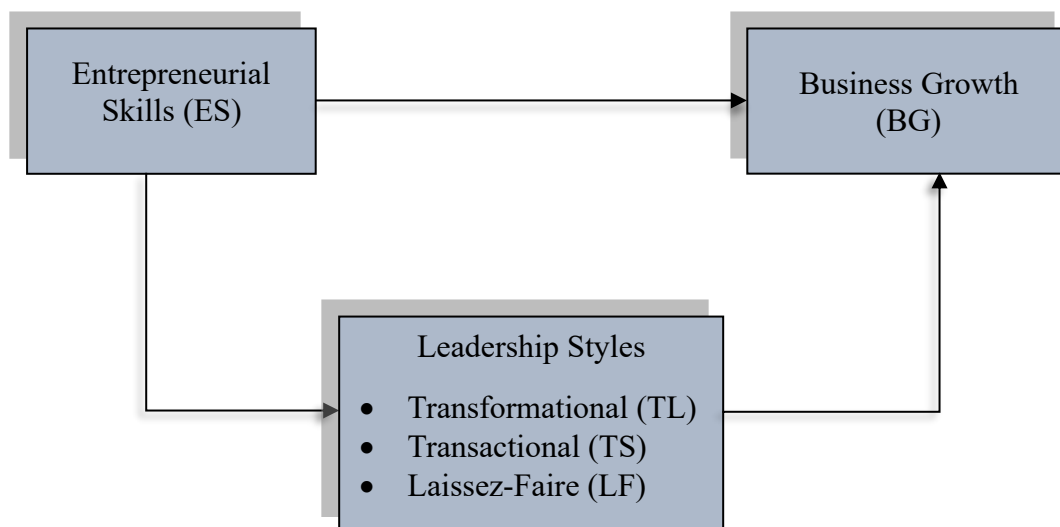

Figure 2-1

3   CHAPTER – METHODOLOGY

Methodology is defined as a strategy which help us to identify how the research is going to be conducted. This chapter sketches the methodology that is taken on in arrange to get the sequence on the association between entrepreneurial skills, leadership styles, and business growth in Pakistan. Methodology included research design, population, and sample size, time period of the data that was used, what kind of data used, how it would be collected, and how to validate data validity, and finally the techniques is being used.

3.1   Research Design

This study adopts a quantitative method, focusing on collecting and analysing numerical data to examine how entrepreneurial skills affect business growth, with three type of leadership styles as mediator. Entrepreneurial skills, such as innovation and risk-taking, and leadership styles, such as transformational, transactional, and laissez-faire, etc., and business growth factors such as sales, market share, profitability, etc., will be measured using questionnaire. This method allows for consistent data collection from various participants. The design of this research is cross-sectional also being used for the link between the variables under study, to observe their relationships. However, we recognize that this method may not capture the richness of experiences, but our approach aims to produce reliable, evidence-based outcomes with practical implications for entrepreneurs, business leaders, and policymakers.

3.2   Research Variables

The cause behind this study is to examine the relationship between the entrepreneurial skills possessed by individuals and their leadership styles adopted in order to have a successful business growth in Pakistan.

3.2.1   Independent Variable

The independent variable in this study is Entrepreneurial skills, it can be assessed through validated tools measuring creativity, risk-taking propensity, strategic competence, ethical competence, and strategic thinking (Tehseen et al., 2019b) .

3.2.2 Mediating Variable

The mediating variable in this study is Leadership styles, encompassing transactional, transformational, and laissez-faire leadership, measured using established leadership assessment tools i.e., Multi-Leadership Questionnaire (MLQ -6).

3.2.3 Dependent Variable

The dependent variable in this study is Business growth, operationalized through financial indicators (e.g., revenue growth, profit margins, market share, number of employees) (Tehseen et al., 2019b) .

3.3 Population

The study's population consisted of incubation centres and small entrepreneurial ventures, with the specific focus on the facilities based in Rawalpindi, and Islamabad. This wide population aims to capture diverse views and experiences related to entrepreneurial skills, leadership styles, and business growth.

3.4 Sampling

Random sampling is used to include participants from different sectors, company sizes, and leadership structures. This would help in gaining a deeper insight into how entrepreneurial skills and leadership styles affect business growth in various contexts.

3.5 Unit of Analysis

The study will focus on individual entrepreneurs, incubation centres and small entrepreneurial ventures, with the specific focus on the facilities based in Rawalpindi, and Islamabad as the unit of analysis. This will help to understand how entrepreneurial skills, leadership styles, and business growth are related at the individual level, and how they vary across different business environments. The study will also combine the results from different participants to make general conclusions about how leadership styles influence the effect of entrepreneurial skills on business growth.

3.6   Data Collection

The study used a questionnaire to collect numerical data on how entrepreneurial skills, leadership styles, and business growth indicators relate to each other. The questionnaire was sent to the sample of individual entrepreneurs, incubation centres and small entrepreneurial ventures, with the specific focus on the facilities based in Rawalpindi, and Islamabad. The questionnaire asked about entrepreneurial skills (such as innovation, risk-taking, strategic competence, ethical competence, etc,) This is a quantitative study, which used 21-item Likert scale questionnaire to identify the type of leadership style an individual may possess i.e., transformational, transactional, or laissez-faire leadership. The questionnaire adapted for measuring the type of leadership style of an individual is Multi-factor Leadership Questionnaire (MLQ) developed by (Bass & Avolio, 2011) . The questionnaire MLQ-6 measures three types of leadership under consideration including Transformational, Transactional, and Laissez-Faire leadership styles. The multi-factor leadership questionnaire consisted of twenty-one items to study the type of leadership of an individual either its Transformational, Transactional, or Laissez-Faire leadership style. The 21-item MLQ-6S is illustrated in Table 3.6-1, along with the scales used for measuring other two variables including the Entrepreneurial Skills, and Business Growth (Tehseen et al., 2019b).

Entrepreneurial Skills		
ES 01	I possess the ability to be a leader	
ES 02	I can make others agree with my thoughts	
ES 03	I have the ability to make decisions after deliberation	
Strategic Competency		
ES 04	I identify long-term problems, issues, and opportunities	
ES 05	I am aware of the projected directions of the industry and how changes might influence my business	
ES 06	I prioritize work in alignment with business goals	
ES 07	I redesign my business to better meet long-term objectives and changes	
Ethical Competency		
ES 08	I always keep promises	
ES 09	I admit mistakes and tell the truth	
ES 10	I engage in fair, open, and honest marketing practices	
ES 11	I try to be transparent and honest in business dealings	

ES 12	I strive to be committed in offering goods and services at fair prices	
ES 13	I always take responsibility and be accountable for own actions	

Leadership   Styles

Transformational Leadership

LS 01	I make others feel good to be around me
LS 02	I express with a few simple words what we could or should do
LS 03	I enable others to think about old problems in new ways
LS 04	I help others develop themselves
LS 08	Others have complete faith in me
LS 09	I provide appealing images about what we can do
LS 10	I provide others with new ways of looking at puzzling things
LS 11	I let others know how I think they are doing
LS 15	Others are proud to be associated with me
LS 16	I help others find meaning in their work
LS 17	I get others to rethink ideas that they had never questioned before
LS 18	I give personal attention to others who seem rejected

Transactional Leadership

LS 05	I tell others what to do if they want to be rewarded for their work
LS 06	I am satisfied when others meet agreed-upon standards
LS 12	I provide recognition/rewards when others reach their goals
LS 13	As long as things are working, I do not try to change anything
LS 19	I call attention to what others can get for what they accomplish
LS 20	I tell others the standards they have to know to carry out their work

Laissez-Faire Leadership

LS 07	I am content to let others continue working in the same ways always
LS 14	Whatever others want to do is OK with me
LS 21	I ask no more of others than what is absolutely essential

Business Growth

BG 01	We have enough sales
BG -2	We have good market share
BG 03	We have enough cash flow
BG 04	We have a sufficient number of employees

Table 3.6-1

4   CHAPTER – ANALYSIS

This chapter comprises of the description of results of estimations and discussions on the findings. To see the behaviour of the data, descriptive statistics was applied. Correlation analysis was used to indicate the relationship between the variables. Eventually, regression analysis was applied to check the impact of independent and mediating variables on business growth.

The results of the data gathered through the structured questionnaire have been described in this chapter. The reader should have a comprehensive perspective and understanding of the entire information at the conclusion of this part, including the demographic background of the respondents, and how the information was organised and where it was obtained, All the procedures and tools utilised in the research will be discussed in this section. In the study the findings were recorded and analysed with SPSS version 22.0.

This chapter approves the consistency and the validity of research models like description analysis, frequency distribution, regression analysis, Correlation analysis, ANOVA, and confirms the relationship between the dependent, mediating, and independent variables of the study.

This research used the SPSS to analyse the data collected through the questionnaires. This method lets us to look at how variables were related and is good for finding complex connections in a model.

4.1   Description of Variables

Descriptive statistics was applied to see the accuracy and behaviour of all dependent, independent, and mediating variables. The table of descriptive analysis shows mean, median, minimum, maximum, and standard deviation (S.D). Average value of sample data of each variable is shown by mean while standard deviation demonstrates the dispersion from the mean value.

Table 4.1-1 illustrates the descriptive statistics of dependent, independent, and mediating variables.

Statistics					
	ES	TL	TS	LF	BG
Mean	4.06	3.9078	3.8770	3.808	3.891
Median	4.15	3.9200	4.0000	4.000	4.000
Minimum	2	1.25	2.00	1.3	1.0
Maximum	5	5.00	5.00	5.0	5.0
Std. Deviation	.708	.70220	.66941	.9148	.8307
Sum	813	781.56	775.40	761.7	778.3
Total Obs.	200	200	200	200	200

Table 4.1-1

4.1.1 Mean and Median Values

The value of mean shows the average value of whole data of each variable. The mean value of Entrepreneurial Skills is 4.06, the mean value of Transformational Leadership is 3.9078, the mean value of Transactional Leadership is 3.88, the mean value of Laissez-Faire Leadership is 3.81, and the mean of Business Growth is 3.89. The value of median indicates the central value of collective data, the median value of Entrepreneurial Skills is 4.15, the median value of Transformational Leadership is 3.92, the median of Transactional Leadership is 4, the median value of Laissez-Faire Leadership is 4, and the median value of Business Growth is 4.

4.1.2 Minimum and Maximum Values

The next measurement under the descriptive analysis are minimum and maximum values of composed data. The minimum value of Entrepreneurial Skills is 2, and the maximum value of entrepreneurial skills is 5. The minimum value of Transformational Leadership is 1.25, whereas the maximum value of Transformational Leadership is 5. The minimum value of Transactional Leadership is 2, whereas the maximum value of Transactional Leadership is 5. The minimum value of Laissez-Faire Leadership is 1.3, and its maximum value is 5. Lastly, the minimum value of Business Growth is 1, whereas the maximum value of Business Growth is 5.

4.1.3   Standard Deviation Values

Standard Deviation is the significant measurement of dispersion or variability within the data set under construction. It quantifies how much individual data points in a dataset deviate from the mean (average) of the dataset. In other words, it provides a measure of the spread or distribution of values. Values of Standard Deviation can be positive or negative. Positive values show that data values are, on average, farther away from the mean in a positive direction. In other words, the values tend to be higher than the mean. In contrast, negative values shows that data values are, on average, farther away from the mean in a negative direction. In other words, the values tend to be lower than the mean. In this research, the standard deviation values of Entrepreneurial Skills, Transformational Leadership, Transactional Leadership, Laissez-Faire Leadership, and Business Growth are 0.708, 0.70220, 0.66941, 0.9148, and 0.8307, respectively.

4.2   Reliability Test

The reliability test has been conducted to measure the consistency and reliability of questionnaire items for each variable of this study. According to (Hinton et al., 2004), there are four levels of reliability in terms of Cronbach alpha's values. The Cronbach's alpha values from 0.9 and above show excellent reliability, 0.70-0.9 represent high reliability, values between 0.50 and 0.70 represent moderate reliability and the values below 0.50 represent low reliability. All the three variables used in this study show reasonable reliability according to the values given below in the table 4.2-1 as a result of SPSS reliability test.

Reliability Statistics

Cronbach's Alpha	N of Items
.810	5

Table 4.2-1

The value of Cronbach's Alpha of the variables of study is 0.810, which shows that the variables are highly dependable. Its interpretation is that the scale is reliable and acceptable as they go along with the theory.

4.3 Frequency Distribution and Descriptive Statistics with respect to Age Groups

The table 4.3-1 provides the information about the age of the respondents. Out of 200 respondents, 29 respondents were in between 18-22 years of age and represented 14.5% of the total respondents. 106 out of 200 respondents lie between age bracket of 22 to 27 years and accounted 53.0% of the total respondents. 34 out of 200 respondents lie between age bracket of 27 to 32 years and accounted 17% of the total respondents. Only 07 out of 200 respondents lied between 32 to 37 age bracket and accounted 3.5% of the total respondents. Remaining 24 out of 200 respondents belonged to the age bracket of 37 or above, which represented 12% of the total respondents.

Age of Respondents			
	Frequency	Valid Percent	Cumulative Percent
18-22	29	14.5	14.5
22-27	106	53.0	67.5
27-32	34	17.0	84.5
32-37	7	3.5	88.0
37 or above	24	12.0	100.0
Total	200	100	

Table 4.3-1

4.4 Frequency Distribution and Descriptive Statistics with respect to Gender

Table 4.4.1 provides the information about the gender of the respondents involved in the study. There was total 200 respondents, out of which 134 were male respondents which represented 67% of the total respondents. Whereas, out of 200 respondents, 72 were female respondents which represented 33% of the total respondents.

Gender of Respondents			
	Frequency	Valid Percent	Cumulative Percent
Male	134	67.0	67.0
Female	66	33.0	100.0
Total	200	100.0	

Table 4.4-1

4.5 Frequency Distribution and Descriptive Statistics with respect to Education

In Table 4.5-1, we can see the qualifications of our respondents in which the ratio of Diploma holders is 5%, Bachelors (02 Yrs.) are 13.5%, Bachelors (04 Yrs.) are 55.5%, and remaining 26% are Masters or Higher Education.

Education			
	Frequency	Valid Percent	Cumulative Percent
Diploma	10	5.0	5.0
Bachelors (02 Yrs.)	27	13.5	18.5
Bachelors (04 Yrs.)	111	55.5	74.0
Masters or Higher Education	52	26.0	100.0
Total	200	100.0	

Table 4.5-1

4.6 Correlation Analysis

Correlation explains the relationship between two or more variables (i.e., dependent, independent, and mediating). Specifically, it helps to assess the degree to which changes in one variable are associated with changes in another variable. Correlation simply measures the strength and direction of a linear relationship between variables under consideration. Correlation Values can be positive or negative, explaining either the relationship between the variables is positive or negative. Positive Correlation suggests that both the variables move in same direction, therefore an increase in one variable will increase the other variable as well.

The positive sign of Correlation value shows that there is a direct relationship between the variables, and it is said to be positive Correlation. The negative sign of Correlation value shows that there is an inverse relationship between the variables, and it is said to be negative Correlation. The mostly used Correlation coefficient is Pearson (r). The range of Pearson Correlation Coefficient value varies from -1 to +1. Table 4.6.-1 shows the Correlation matrix of the variables involved in this study.

		ES	**TL**	**TS**	**LF**	**BG**
ES	**Pearson Correlation**	1	.714**	.674**	.683**	.662**
	Sig. (2-tailed)		.000	.000	.000	.000
TL	**Pearson Correlation**	.714**	1	.753**	.677**	.654**
	Sig. (2-tailed)	.000		.000	.000	.000
TS	**Pearson Correlation**	.674**	.753**	1	.685**	.628**
	Sig. (2-tailed)	.000	.000		.000	.000
LF	**Pearson Correlation**	.683**	.677**	.685**	1	.618**
	Sig. (2-tailed)	.000	.000	.000		.000
BG	**Pearson Correlation**	.662**	.654**	.628**	.618**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

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

Table 4.6-1

The relationship between the variables is visible in the Correlation matrix. Positive Correlations exists between the variables. The value of person Correlation coefficient (r) states the strength of the Correlation between variables. The rule of thumb for studying Pearson correlation coefficient states that the value between 0.90 to 1.00 indicates very high Correlation, the values

between 0.70 to 0.89 indicates high Correlation, the values between 0.50 to 0.69 indicates moderate Correlation, the values between 0.30 to 0.49 indicates low correlation, and the value between 0.00 to 0.29 indicates little if any correlation (Garcia Asuero et al., 2006).

The highest Correlation between the variables is 0.756, i.e., in between the transformational leadership and transactional leadership. The positive Correlation depicts that, with the increase in value of one variable, the value of the other value also increases, stating that both the variables move in the same direction.

The Correlation between entrepreneurial skills and business growth is positive 0.662, depicting that one unit change in entrepreneurial skill variable will increase the value of business growth variable by 0.662. Similarly, the Correlation between transformational leadership and business growth is positive 0.564, elaborating that one unit change in the variable of transformational leadership will increase the value of the other variable i.e., business growth by 0.564. The Correlation between transactional leadership and business growth is positive 0.628 which means that one unit change in the variable of transactional leadership, will increase the value of business growth variable by 0.628. The Correlation between laissez-faire leadership and business growth shows positive value of 0.618, which means that one unit change in the laissez-faire leadership variable will increase the value of business growth variable by 0.618.

4.7   Regression Analysis

Regression analysis is an influential statistical technique that is undertaken to scrutinize the association flanked by the interest. Regression analysis is applied to analyse the relationship between the variables under consideration. Though regression analysis has types, at this core it is taken under consideration to verify the effect of independent variable and dependent variable. One type of regression is linear regression. In linear regression analysis there is one independent variable and one dependent variable. The first model of regression consisted of Entrepreneurial Skills (ES) as the independent variable and the second model of regression consisted of Entrepreneurial Skills (ES), Transformational Leadership (TL), Transactional Leadership (TS), Laissez-Faire Leadership (LF) as the variables impacting the dependent variable Business Growth (BG).

Following correlation, regression analysis is used to better analyse and understand the relationship between variables. Although, correlation gauge the strength and directions of the linear association between two variables, regression analysis goes beyond by determining the mathematical equation that best fits the data points. It helps in forecasting the value of one variable based on the values of the other variables. Subsequently, it discovers the extent of the influence predictor variable had on the outcome and assess the statistical significance of the relationship. In summary, regression analysis enables a more thorough interdependencies between variables, hence insisting in prediction and inference. Regression analysis will discover the casual relationship of one variable with the other variables to validate the reliance.

Looking at table 4.7-1, Model 1 resulted in R (Multiple Correlation Coefficient) of 0.662 indicates the strength and direction of the linear relationship between the predictor(s) and the outcome variable. Although the value of R Square (Coefficient of Determination) of 0.439 is the proportion of the variance in the dependent variable that can be explained by the independent variable(s) is 0.439. The Adjusted R Square value of 0.436 is adjusted for the number of predictors in the model, providing a more accurate estimate of the model's fit ability. The Std. Error of the Estimate is 0.6238 represents the standard deviation of the residuals, providing a measure of how well the model predicts the actual values.

Model 2 results of R (Multiple Correlation Coefficient) showed 0.718 the multiple correlation coefficient for the second model. R Square (Coefficient of Determination) is 0.515 indicating the proportion of the variance in the dependent variable attributed to the independent variables in the second model. The adjusted R Square value for the second model is 0.506 and the Std. Error of the Estimate is 0.5841.

The R square values indicate that Model 2 explains a larger proportion of the variance in the Business Growth (BG) i.e., dependent variable compared to Model 1. The addition of Laissez-Faire Leadership (LF), Transactional Leadership (TS), and Transformational Leadership (TL) in Model 2 appears to have improved the model's explanatory power. The adjusted R square values are based on the number of predictors and could be considered a more reliable measure of the model's quality of fit.

An Analysis of Variance (ANOVA) table is a statistical tool used to assess group differences by breaking down data variability into components. It consists of sources of variation such as between groups and within groups, each with corresponding degrees of freedom, sum of squares, and mean squares. The F-statistic, derived from the ratio of mean squares, determines if group means are significantly different. A low p-value associated with the F-statistic indicates statistical significance. The total sum of squares represents overall data variability. ANOVA tables are vital in various analyses, revealing the effectiveness of predictors or factors in explaining variance and aiding researchers in drawing conclusions about group distinctions and treatment effects.

The addition of predictors in Model 2 has improved the model fit significantly. Both models show highly significant p-values, indicating that the regression models are likely not the result of random chance. The F-statistic assesses the null hypothesis that all coefficients of the predictors in the model are equal to zero. The low p-values in both models reject this null hypothesis. In summary, these ANOVA results suggest that the regression models, especially Model 2 with multiple predictors, provide a statistically significant improvement in predicting the dependent variable BG compared to a model with only the ES predictor.

Null Hypothesis: H0: There is no significant positive Correlation between Entrepreneurial Skills (ES) and Business Growth (BG).

Regression Analysis

Model 1		Unstandardized Coefficients		Standardized Coefficients			
		B	Std. Error	Beta	Sig.	R Square	F
	ES	0.777	0.062	0.662	0.000	0.439	154.859
Model 2	ES	0.499	0.088	0.425	0.000	0.515	51.867
	TL	0.452	0.092	0.493	0.001	0.515	51.867
	TS	0.400	0.096	0.432	0.000	0.515	51.867
	LF	0.471	0.087	0.502	0.010	0.515	51.867

a. Dependent Variable: BG

Table 4.7-1

Now, looking in bivariate linear regression analysis table 4.7-2, at R square values, The R square values will tell us the percentage of variability in the dependent variable (BG) accounted by independent variable (ES). We can say that how much independent variables are predicting our dependent variable. The value of R square is 0.439 which is 43.9%. Here we can say that ES (Entrepreneurial Skills) is predicting BG (Business Growth) by 43.9%.

Following that, the Statistics (Significance) tells us that either our model is fit or significant. If the probability is less than 0.05 i.e., 5%, then the model is considered to be fit. Here the Significance value is 0.000 i.e., 0% which is less than 0.05 so our model is fit/ significant. From Anova table, F value is 154.859 and significance is 0.000 so we can conclude that eventually the conceptual model of this study is considered fit, and we can proceed further.

Lastly, the Slope of Beta Coefficient tells us change in dependent variable (BG) with respect to independent variable (ES) and tells the effect in positive and negative. Beta tells the change in slope and t value/sig both give output of significance. For analysis, we used Unstandardized beta, and its value is 0.777. To assess the hypothesis, we can say that Entrepreneurial Skills has a beta of 0.662 which is positive and with a sig value of 0.000.

Hypothesis: H1: There is a significant positive Correlation between Entrepreneurial Skills (ES) and Business Growth (BG).

Bivariate Linear Regression Analysis						
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	Sig.	R Square	F
ES	0.777	0.62	0.662	0.000	0.439	154.859

a. Dependent Variable: BG

Table 4.7-2

Looking in bivariate linear regression analysis table 4.7-3, at R square values, The R square values will tell us the percentage of variability in the dependent variable (TL) accounted by independent variable (ES). We can say that how much independent variables are predicting our dependent variable. The value of R square is 0.510 which is 51.0%. Here we can say that ES (Entrepreneurial Skills) is predicting TL (Transformational Leadership) by 51.0%.

Following that, the Statistics (Significance) tells us that either our model is fit or significant. If the probability is less than 0.05 i.e., 5%, then the model is considered to be fit. Here the Significance value is 0.000 i.e., 0% which is less than 0.05 so our model is fit/ significant. From Anova table, F value is 206.317 and significance is 0.000 so we can conclude that eventually the conceptual model of this study is considered fit, and we can proceed further.

Lastly, the Slope of Beta Coefficient tells us change in dependent variable (TL) with respect to independent variable (ES) and tells the effect in positive and negative. Beta tells the change in slope and t value/sig both give output of significance. For analysis, we used Unstandardized beta, and its value is 0.708. To assess the hypothesis, we can say that Transformational Leadership (TL) has a beta of 0.714 which is positive and with a sig value of 0.000.

Moreover, Analysing the multiple regression analysis (Table 4.7-4), the result of multiple regression analysis with two independent variables, (ES) and (TL), predicting the dependent variable (BG). Interpreting the results. Std. Error (Standard Error of B) for ES tha value is 0.088. This is the standard deviation of the sample distribution of the coefficient for (ES) while, for TL, the value is 0.089. Furthermore, it is the standard deviation of the sampling distribution of the coefficient for LF. Beta (Standardized Coefficient), for (ES) is 0.630. This indicates the alteration in standard deviations of the dependent variable associated with a one-standard-

deviation change in (ES), while holding other variables constant. Similarly, the value of Beta of TL is 0.686.

Value of Significance (Sig.) for (ES) is 0.000, indicating that it is highly significant, The value of significance for (TL) is 0.014, it also shows that this relationship is highly significant but is less in comparison with ES. Studying the value of R Square, of the variables, the R Square value is 0.456. This is the proportion of the variation in the dependent variable (BG) that can be explained by the variables (ES) and (TL). Approximately 45.6% of the variability in (BG) is explained by these two variables. While analysing the value of F-statistic is 82.512. It assesses the overall significance of the model, considering both (ES) and (TL).

For ES, the coefficient (0.621) and Beta (0.630) suggest a significant and moderately strong positive relationship with BG. For TL, the coefficient (0.642) and Beta (0.686) indicate a significant but relatively weaker positive relationship with BG. Both ES and TL contribute significantly to explaining the variability in BG based on the low p-values. The R Square value of 0.456 indicates that the model, with both ES and TL, provides a sizeable portion of the variability in BG. The F-statistic value of is 82.512 helps in assessing whether the model, as a whole, is statistically significant. In summary, both ES and TL are significant predictors of BG, and together they provide a meaningful explanation for the observed variability in the dependent variable.

Hypothesis: H2: Transformational Leadership (TL) mediates the relationship between Entrepreneurial Skills (ES) and Business Growth (BG).

Bivariate Linear Regression Analysis						
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	Sig.	R Square	F
ES	0.708	0.049	0.714	0.000	0.510	206.317

a. Dependent Variable: TL

Table 4.7-3

Multiple Regression Analysis						
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	Sig.	R Square	F
ES	0.621	0.088	0.630	0.000	0.456	82.512
TL	0.642	0.089	0.686	0.010	0.456	82.512

a. Dependent Variable: BG

Table 4.7-4

Looking in bivariate linear regression analysis table 4.7-5, at R square values, The R square values will tell us the percentage of variability in the dependent variable (TS) accounted by independent variable (ES). We can say that how much independent variables are predicting our dependent variable. The value of R square is 0.454 which is 45.4%. Here we can say that ES (Entrepreneurial Skills) is predicting TS (Transactional Leadership) by 45.4%.

Following that, the Statistics (Significance) tells us that either our model is fit or significant. If the probability is less than 0.05 i.e., 5%, then the model is considered to be fit. Here the Significance value is 0.000 i.e., 0% which is less than 0.05 so our model is fit/ significant. From Anova table, F value is 164.568 and significance is 0.000 so we can conclude that eventually the conceptual model of this study is considered fit, and we can proceed further.

The Slope of Beta Coefficient tells us change in dependent variable (TS) with respect to independent variable (ES) and tells the effect in positive and negative. Beta tells the change in slope and t value/sig both give output of significance. For analysis, we used Unstandardized beta, and its value is 0.637. To assess the hypothesis, we can say that Transactional Leadership (TS) has a beta of 0.674 which is positive and with a sig value of 0.000.

Lastly, Analysing the multiple regression analysis (Table 4.7-6), the result of multiple regression analysis with two independent variables, (ES) and (TS), predicting the dependent variable (BG). Interpreting the results. Std. Error (Standard Error of B) for ES the value is 0.080. This represents the standard deviation of the sampling distribution of the coefficient for (ES) and, for TS, the value is 0.085. Similarly, it is the standard deviation of the sampling distribution of the coefficient for TS. Beta (Standardized Coefficient), for (ES) is 0.638. This

indicates the change in standard deviations of the dependent variable associated with a one-standard-deviation change in (ES), while holding other variables constant. Similarly, the value of Beta of TS is 0.733.

Value of Significance (Sig.) for (ES) is 0.000, indicating that it is highly significant, The value of significance for (TS) is 0.000, it also shows that this relationship is highly significant but is less in comparison with ES. Studying the value of R Square, of the variables, the R Square value is 0.499. This is the proportion of the variation in the dependent variable (BG) that can be explained by the variables (ES) and (TS). Approximately 49.9% of the variability in (BG) is explained by these two variables. While analysing the value of F-statistic is 98.242. It evaluates the overall significance of the model, considering both (ES) and (TS).

For ES, the coefficient (0.614) and Beta (0.638) suggest a significant and moderately strong positive relationship with BG. For TS, the coefficient (0.713) and Beta (0.7333) indicate a significant but relatively weaker positive relationship with BG. Both ES and TS contribute significantly to explaining the variability in BG based on the low p-values. The R Square value of 0.499 indicates that the model, with both ES and TS, provides a substantial portion of the variability in BG. The F-statistic value of is 98.242 helps in assessing whether the model, as a whole, is statistically significant. In summary, both ES and LF are significant predictors of BG, and together they provide a meaningful explanation for the observed variability in the dependent variable.

Hypothesis: H3: Transactional Leadership (TS) mediates the relationship between Entrepreneurial Skills (ES) and Business Growth (BG).

Bivariate Linear Regression Analysis						
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	Sig.	R Square	F
ES	0.637	0.050	0.674	0.000	0.454	164.568

a. Dependent Variable: TS

Table 4.7-5

Multiple Regression Analysis						
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	Sig.	R Square	F
ES	0.614	0.080	0.638	0.000	0.499	98.242
TS	0.713	0.085	0.733	0.000	0.499	98.242

b. Dependent Variable: BG

Table 4.7-6

Looking in bivariate linear regression analysis table 4.7-7, at R square values, The R square values will tell us the percentage of variability in the dependent variable (LF) accounted by independent variable (ES). We can say that how much independent variables are predicting our dependent variable. The value of R square is 0.57 which is 57%. Here we can say that ES (Entrepreneurial Skills) is predicting LF (Laissez-Fair Leadership) by 57%.

Following that, the Statistics (Significance) tells us that either our model is fit or significant. If the probability is less than 0.05 i.e., 5%, then the model is considered to be fit. Here the Significance value is 0.002 i.e., 0.02% which is less than 0.05 so our model is fit/ significant. From Anova table, F value is 98.726 and significance is 0.002 so we can conclude that eventually the conceptual model of this study is considered fit, and we can proceed further.

The Slope of Beta Coefficient tells us change in dependent variable (LF) with respect to independent variable (ES) and tells the effect in positive and negative. Beta tells the change in slope and t value/sig both give output of significance. For analysis, we used Unstandardized beta, and its value is 0.279. To evaluate the hypothesis, we can say that Laissez-Faire Leadership (LF) has a beta of 0.5s16 which is positive and with a sig value of 0.002.

Lastly, Analysing the multiple regression analysis (Table 4.7-8), the result of multiple regression analysis with two independent variables, (ES) and (LF), predicting the dependent variable (BG). Interpreting the results. Std. Error (Standard Error of B) for ES tha value is 0.063. This is the standard deviation of the sample distribution of the coefficient for (ES) while, for LF, the value is 0.049. Furthermore, it is the standard deviation of the sampling distribution of the coefficient for LF. Beta (Standardized Coefficient), for (ES) is 0.629.

This indicates the alteration in standard deviations of the dependent variable associated with a one-standard-deviation change in (ES), while holding other variables constant. Similarly, the value of Beta of LF is 0.653.

Value of Significance (Sig.) for (ES) is 0.000, indicating that it is highly significant, The value of significance for (LF) is 0.001, it also shows that this relationship is highly significant but is less in comparison with ES. Studying the value of R Square, of the variables, the R Square value is 0.461. This represents the proportion of the variance in the dependent variable (BG) that can be explained by the variables (ES) and (LF). Approximately 46.1% of the variability in (BG) is explained by these two variables. While analysing the value of F-statistic is 84.318. It evaluates the overall significance of the model, considering both (ES) and (LF).

For ES, the coefficient (0.738) and Beta (0.629) suggest a significant and moderately strong positive relationship with BG. For LF, the coefficient (0.729) and Beta (0.653) indicate a significant but relatively weaker positive relationship with BG. Both ES and LF contribute significantly to explaining the variability in BG based on the low p-values. The R Square value of 0.461 indicates that the model, with both ES and LF, explains a substantial portion of the variability in BG. The F-statistic value of is 84.318 helps in assessing whether the model, as a whole, is statistically significant. In summary, both ES and LF are significant predictors of BG, and together they provide a meaningful explanation for the observed variability in the dependent variable.

Hypothesis: H4: Laissez-Fair Leadership (LF) mediates the relationship between Entrepreneurial Skills (ES) and Business Growth (BG).

Bivariate Linear Regression Analysis						
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	Sig.	R Square	F
ES	0.579	0.090	0.516	0.002	0.57	98.726

a. Dependent Variable: LF

Table 4.7-7

Multiple Regression Analysis						
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	Sig.	R Square	F
ES	0.738	0.063	0.629	0.000	0.461	84.318
LF	0.729	0.049	0.653	0.001	0.461	84.318

c. Dependent Variable: BG

Table 4.7-8

5 CHAPTER – CONCLUSION

This research study examines the complex relationship between the entrepreneurial skills of individuals, leadership styles, and the business growth. The findings reveal not only a direct positive impact of entrepreneurial skills on business growth but also emphasize the crucial mediating role played by various leadership styles including Transformational Leadership, Transactional Leadership, and Laissez-Faire Leadership Styles. Specifically, the results underscore the significance of transactional, transformational, and laissez-faire leadership styles in influencing the relationship between entrepreneurial skills and business growth.

The robust and statistically significant outcomes suggest that an entrepreneur's skill set serves as a catalyst for business expansion, and the leadership approach adopted further amplifies or mitigates this impact. Transactional leadership, characterized by clear expectations and rewards, was found to enhance the positive effects of entrepreneurial skills, providing a structured framework for growth. Transformational leadership, with its emphasis on vision and inspiration, emerged as a powerful mediator, amplifying the impact of entrepreneurial skills on business growth through fostering innovation and organizational adaptability. On the other hand, laissez-faire leadership exhibited a mediating role by allowing entrepreneurial skills to directly influence business growth in a more hands-off management approach.

The research adds to the Resource-Based View (RBV) and contingency theories. The findings of this study contribute to our understanding of the complex relationship between individual skills, leadership styles, and organizational outcomes.

Practically, businesses can benefit from recognizing and nurturing entrepreneurial skills within their leadership teams, while tailoring leadership approaches to align with organizational goals and the dynamic business environment. The study shows a theoretical connection by proving that entrepreneurial and business management skills have a big effect on how much MSMEs grow, improving RBV and contingency theories.

The findings stress the importance of using resources well, especially human capital, for MSME growth. Also, the study points out the need to change strategies to fit the external situation, such as being innovative to make new markets. This matches contingency theory, which says that approaches should change depending on external factors.

The results are important for both academics and businesses. They can change things. By encouraging young graduates, especially men and those with higher education, to start new businesses with open models, this study sees a significant impact. It expects that these new entrepreneurs can add value to the complex and changing economies of today, boosting efficiency with technology. The study gives a guide for young graduates to not only start their own businesses but also help the bigger economy, creating a culture of innovation and strength in a tough world.

By integrating research initiatives into the activities of incubation centres, scholars can contribute valuable knowledge to the field of entrepreneurship. This research not only benefits academic understanding but also provides actionable insights that can inform the design of effective training programs, mentorship strategies, and support mechanisms for aspiring entrepreneurs within the incubation ecosystem.

However, it is important to note that the study has its limitations, and further research is deserved to explore the contextual notes and industry-specific variations. Nevertheless, the comprehensive insights gained from this study provide a solid foundation for practitioners and researchers alike, offering actionable implications for fostering entrepreneurial skills and leveraging diverse leadership styles to foster sustained business growth.

6   CHAPTER – RECOMMENDATIONS

Building on the conclusions drawn from this study, several recommendations emerge for entrepreneurs, business leaders, and organizations aiming to capitalize on the relationship between entrepreneurial skills, leadership styles, and business growth. The study findings recommend prioritizing the identification and development of entrepreneurial skills among leadership teams. This can be achieved through training programs, workshops, and mentorship initiatives. Another recommendation it suggests is to focus on enhancing creativity, risk-taking abilities, and strategic thinking, to understand the organizational context and industry dynamics to select an appropriate leadership style.

One should recognize that different situations may require varying degrees of transactional, transformational, or laissez-faire leadership. Flexibility in leadership approach is key to navigating diverse business challenges. Foster a culture of transformational leadership, emphasizing vision, inspiration, and innovation. Encourage leaders to communicate a compelling vision, promote a supportive work environment, and inspire teams to think creatively. This can significantly enhance the impact of entrepreneurial skills on business growth.

The importance of transactional leadership must be acknowledged in maintaining operational efficiency and meeting short-term goals, establishing clear expectations, provide feedback, and offer tangible rewards to motivate teams and align their efforts with organizational objectives.

The study also suggests that entrepreneurs must adapt continuous monitoring to regularly assess the effectiveness of the chosen leadership styles and entrepreneurial skill development initiatives. As business environments are dynamic, and adjustments may be necessary to align leadership practices with evolving organizational needs. Encouragement to facilitate collaboration among team members to harness the collective power of entrepreneurial skills, will foster an environment where diverse skills and perspectives can complement each other, creating a constructive collaboration that propels the business forward.

The study recommends Entrepreneurs to maintain a long-term perspective when implementing strategies related to entrepreneurial skills and leadership styles. Sustainable business growth often requires a combination of short-term efficiency gains and long-term innovation, guided by visionary leadership. By implementing these recommendations, businesses can enhance

their capacity for growth, leverage the full potential of entrepreneurial skills, and create a leadership framework that adapts to the evolving demands of the competitive landscape.

This research highlights the strong dedication to innovation and success shown by the micro, small, and medium enterprises (MSMEs) surveyed. The results show that these businesses have clear goals, take advantage of market opportunities, and launch innovative projects, such as creating new markets, products, businesses, and work methods. Their success is due to smart risk-taking, planning ahead, and using data-driven methods.

The study suggests that micro, small, and medium enterprises (MSMEs), with their effectiveness, financial accountability, flexibility, and critical thinking skills, are ready for more growth and success in the changing business environment.

Few suggestions can include creating policies and training programs to boost up entrepreneurial skills. The goal should be to give the knowledge needed for running businesses effectively. Government agencies and related organizations should support the efforts of small-to-medium business owners who are trying to escape poverty by offering training programs that help them survive. Overall, the study offers useful advice for enhancing business results through focused actions in entrepreneurial skills, leadership styles, and entrepreneurial growth.

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APPENDIX

Abbreviations

- ES = Entrepreneurial Skills
- LS = Leadership Styles
- TL = Transformational Leadership Style
- TS = Transactional Leadership Style
- LF = Laissez-Faire Leadership Style
- BG = Business Growth
- MLQ = Multi-Leadership Questionnaire
- MSMEs = Micro, Small, and Medium Enterprises

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