

The mediation effect of TQM practices on the relationship between entrepreneurial leadership and organizational performance of SMEs in Kuwait

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ABSTRACT

Small and medium enterprises (SMEs) play a vital role for the economic development of most countries, particularly in developing economies such as Kuwait. There are, however, challenges and problems that have to be addressed in an effort to achieve a better performance and ensure longer-term success. In the pursuit of entrepreneurial leadership (EL), SMEs frequently adopt total quality management (TQM) practices as their key strategies to enhance their competitive advantage. However, there is a dearth of studies that investigate the relationship of these concepts with the performance SMEs in developing countries. This paper seeks to examine the association between determinants of organizational performance, such as entrepreneurial leadership (EL) and TQM practices, of Kuwait's SMEs. This study uses a quantitative method. A survey questionnaire is administered to collect data from 500 SME owners and CEOs in Kuwait, and 384 are found to be usable. The outcomes of this study show beneficial and considerable influence of entrepreneurial leadership and TQM practices on organizational performance. The association of entrepreneurial leadership with organizational performance of SMEs is fundamentally mediated by TQM practices.

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1. Introduction

SMEs throughout the globe have been demonstrated to be the most effective means for accelerating economic and social advancements. They provide a conducive environment for training and developing the skills of employees in addition to expediting the turnover of moderate amounts of capital investment. SMEs are able to offer employment possibilities to the increasing population of young people, stimulate technological innovation, support entrepreneurial activities, increase productivity, and facilitate diversification of the economy. Amongst the appeal of SMEs are the easy establishment and administrative structure, as well as the small funding required for their setting up and operation (Koch, 2011; Yunoh & Ali 2015; Haroon & Shariff, 2016).

Present day small and medium enterprises (SMEs) are faced with intense competitive pressure. Therefore, there is an urgent need to enhance their competitive abilities and skills to ensure the survival of SMEs and their continuous long-term development. There are numerous tools and strategies which can help SMEs respond to changes and counteract the jeopardy as well as improve their performance and competitive advantage (Yang, 2018).

SMEs managers need to understand how entrepreneurial leadership could affect organizational performance (Rahim et al., 2015). Entrepreneurial leadership is a way in which entrepreneurial leaders restructure their organizations in such a way that would enable them to seize new opportunities and improve their ability to invent the requisite variety which would allow them to compete in a highly unpredictable environment (Huang et al., 2014). Entrepreneurs are expected to transform the design of production process through the implementation and utilization of creative practices or by inventing novel ways to produce the same product, uncovering new methods to source materials or find unique avenues to market their products and services

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(Zehir et al., 2015). Entrepreneurial leadership and organizational performance can be integrated with a management philosophy that is based on TQM practices in the most productive manner in an attempt to realize the aspirations of an organization. These practices became the most applicable management philosophy used in enhancing the performance of SMEs (Haroon & Shariff, 2016).

The researcher has reviewed earlier studies and reports regarding the accomplishments of Kuwait's SMEs in an effort to design a theoretical foundation for the study. Review of the literature reveals that no study has investigated more than one variable as a predictor of SMEs performance. Previous researchers contended that the failure of many SMEs in less developed countries is frequently caused by managerial problems (Abdollahi et al., 2014; Haroon & Shariff, 2016). The present study focuses on two fundamental managerial problems which influence SME performance, entrepreneurial leadership and TQM practices.

2. Literature Review

2.1 Entrepreneurial Leadership

The opening of world economy and the accompanying challenges at the beginning of the 21st century has resulted in the business environment shifting its attention to entrepreneurial leadership (Mishra & Misra, 2017). The owners and leaders of SMEs have to be heedful of the changes that are taking place in the global business environment. Businesses would not be able to survive and succeed without setting a clear vision that is supported by entrepreneurial actions. This means that leaders of organizations, either the CEO, director or operation manager, should be cognizant of their capabilities, competencies and leadership styles, as well as the final outcomes that they would like to achieve. Hence, they should be proactive, creative, innovative, and willing to seize opportunities and take risks when necessary. One of the characteristics of intelligent leaders is they use their skills and capabilities to drive growth and rapid development within their organizations whilst creating competitive advantage and ensuring sustainability (Palalic, 2017).

The theory of entrepreneurship states that entrepreneurial leaders are able to use their personal aptitudes to visualize a future of prosperity for their organizations by conceiving forward-thinking visions and identifying opportunities, while their functional competencies give them the means to inspire and influence their team members to abandon the level of performance that they have been accustomed to in order to achieve their aims and amplify their efforts to implement progressive entrepreneurial actions. This is done by transforming individual's perception of their abilities and skills and maximizing their self-efficacy through participation in development and training programs (Bagheri, 2017). Entrepreneurial leadership encourages and enables organizations to adopt processes that reinforce a culture of organizational innovation by discovering and exploiting opportunities to improve organizational performance, solve problems through creative methods, and to effectively and efficiently utilize organizational resources (Rae, 2017). Chen (2007) pointed out that entrepreneurial leadership exists at the intersection of leadership and entrepreneurship. It is a combined construct of proactivity, innovation, and risk-taking. This perspective is congruous with the theoretical foundation developed by Gupta et al (2004) for this style of leadership when the author conceptualized entrepreneurial leadership in three key dimensions: (1) innovation, which means nurturing creativity amongst team member to make effective changes and create novel products and services in an effort to achieve a point of difference for the organization; (2) proactivity, which entails motivating individuals to aggressively and continuously compete with other organizations; and (3) risk-taking, which is the willingness to face uncertainty and take responsibility (Kozlowski, 2010).

2.2 TQM Practices

Due to customer's increasing awareness of quality, organizations are making drastic transformation and focussing on improving their ability to proactively and effectively respond to customer demand in terms of quality, innovation, speed, and price; deal with the difficult and increasing need to make continuous improvement and loftier achievements; and adopt TQM practices which has become a widespread phenomenon in fast-expanding industries (Madanat & Khasawneh, 2017). Of late SMEs managers are increasingly adopting TQM practices to gain customer's loyalty. TQM is seen as a preferable way to differentiate their entrepreneurial activities in the hope of achieving a better outcome in an increasingly competitive environment (Sule et al., 2017). TQM was introduced in Japan in early 1980s; it is a management approach that endeavour to improve the quality and productive capacity of business organisations. The following decade saw TQM becoming increasingly popular in organisations, where this management approach was adopted and implemented with an emphasis on continuous customer satisfaction and improved organisation performance (Haroon & Shariff, 2016). There is currently no widely accepted definition of TQM; a review of the literature shows that the definition of TQM is given in various contexts and perspectives (Haroon & Shariff, 2016). TQM is a comprehensive managerial approach that seeks to include all organizational processes and functions to continuously fulfil customer demands and enhance organization's system quality so as to increase productivity and profitability. (Mehralian et al., 2016). TQM can also be seen as a revolutionary management philosophy, an innovative line of thought in managing organizations, a change in model, or an all-encompassing system which boost overall organizational performance (Patyal & Maddulety, 2015).

TQM is not a commitment of a single person; instead all members of an organization are responsible for integrating knowledge and effort that are instrumental in producing quality products, services and practices (Patyal & Maddulety, 2015). This conclusion is made based on the findings of several studies that were carried out in different countries and sectors. TQM requires continuous employee involvement. In seeking to enhance the quality of services and products, organizations must involve employees in the process of identifying problems and improving production processes. The viable ideas put forward by employees should be implemented. Similarly, employees stand to benefit from TQM since its implementation facilitates their personal growth, development, and learning (Iqbal & Asrar-ul-Haq, 2017). A comprehensive model/theoretical framework of TQM can be found in the literature. Several studies have been carried out to measure the critical factors which ensure success in the application of TQM in organizations (Anil & Satish, 2017). A comprehensive review of TQM literature with regard to measuring the CSFs of TQM in several industries shows that researchers and practitioners measure TQM practices differently based on the purpose, approach, and context of their study due to the lack of a widely accepted definition of TQM practices. However, it is worth noting that previous studies have measured seven major elements in TQM and these elements have been shown to positively influence organizational performance. The seven elements are leadership, customer focus, strategic planning, human resource management (HRM), information and analysis, supplier management, and process management (Mahmud & Hilmi, 2014). In the light of this, the present study will focus on three key elements in TQM practices namely, top management leadership and commitment, customer focus, and continuous improvement.

- *Top management leadership and commitment*

The leadership and commitment of the top management are the key factors determining the successful implementation of TQM practices. The main contribution and responsibility of top management is to create a culture which supports the implementation of TQM; establish internal functions and processes which reflect organization's mission; formulate a comprehensive quality planning; motivate individuals to endeavour for continuous improvement; give emphasis to learning; develop innovation; create effective training programs; reduce the gap between different levels of hierarchy in the organization; support decentralization; and nurture a long-term relationship with suppliers and customers (Kafetzopoulos et al., 2015).

- *Customer Focus*

Customer focus is the most important part of production. It means producing and delivering goods and services that fulfill customer's current and future desires and expectations (Dedy, 2016).

- *Continuous Improvement*

TQM philosophy is based on the principle of continually improving all teams in an organization in an endeavour to fulfill customer's needs. Deming (1986) emphasized that organizations have to constantly seek to enhance their systems of production and service in a bid to develop quality and productivity, thereby reducing expenditure. At present there is a need for organizations to broaden the scope of continuous improvement instead of emphasizing on product context and direct process. Put differently, the specific intent is not continuous improvement but an everlasting journey that involves each element of an organization (Yunoh & Ali 2015).

2.3 Organizational Performance

The potential for a business to succeed is determined by its organizational performance; in other words, the success of the organization is contingent upon its capability to effectively pursue strategies which facilitate the achievement of organizational objectives. Therefore, researchers specializing in the field of management often focus on organizational performance as one of the most important dependent variables since the ability of organizations to progress and grow is contingent upon their performance (Almatrooshi et al., 2016; Jagdale & Bhola, 2015). The organizational performance of an organization is determined primarily by its ability and skill in implementing strategies. (Almatrooshi et al., 2016) contended that organization's success is influenced by the preparedness of its leaders and the organizational culture forged by the leaders. The beliefs and values of the leaders will shape an organization's performance.

There are several definitions of organizational performance as there are varying philosophies relating to it. Organizational performance is the essence of all processes and activities in an organization, and it is the key determinant of the organization's ability to survive. Wheelen & Hunger (2010) contended that organizational performance is contingent upon the manner in which an organization capitalizes on tangible and intangible resources in an endeavor to accomplish their objectives; it is the ultimate determinant of organization's success. Tomal and Jones (2015) described organizational performance as the organization's true accomplishment or productivity vis-à-vis its envisioned outputs. Almatrooshi et al. (2016) suggested that organizational performance is the extent of an organization's achievement in comparison to its objectives. Ahmed (2018) defined organizational performance as the output of an organization with regard to its interaction with the external and internal environment. Thus, organizational performance comprises three aspects: (1) performance of individuals in their specialized organizational units; (2) performance of organizational units within the comprehensive framework/policies of the organization; and (3) performance of an organization within the framework of economic, cultural and social environments. Even though organizational performance comprises three aspects, the performance of organizations is completely different from each individual

aspect if taken separately. It is different from individual performance and unit performance although it is the result of these two factors, in addition to the effects of social, economic and cultural environments.

As stated in the contingency theory, in general, no single performance measuring system is suitable for all types of organizations in all circumstance; instead there is a need to adapt the system based on well-defined organizational and contextual factors. A review of the literature shows that various performance indicators have been used in the past, including financial performance, increase in market share, marketing effectiveness, innovation process, quality of products and services, or measurement of specific aspects of operational performance. Premised on the findings and results of earlier studies, the present study uses two indicators, financial performance and operational performance, to measure the performance of Kuwait's SMEs.

Financial performance has been linked with the ability of an organization to make profit or generate revenue, and is frequently employed as a typical benchmark of business outcomes. In other words, it is a measure of how well an organization carry out its business activities. It can also be used as a benchmark to weigh the performance of an organization against other organizations within an industry. These measures are connected with managerial policies: the method utilized by the management to appropriate allocation for all projects. On account of this, the measures are an indication of internal managerial performance and ability to make decisions instead of an external market response (Orlitzky et al., 2003). Chavan (2009), on the other hand, has censured the overdependence of SMEs on financial performance without taking into account non-financial performance indicators, which are the ultimate determinant of value. Due to their over-dependence on financial performance SMEs managers focused on the results of past actions instead of the factors contributing to success. Because of their delayed nature, financial measures provide information about previous achievements but is not an indicator of future performance. In terms of organizational performance, non-financial performance is in effect a more reliable indicator of future financial performance. Non-financial performance provides information on the relationship between business activities and financial results which have a strong influence on business performance. (Maduekwe & Kamala, 2016). Improved operational performance is important since it can have a positive impact on organization's competitive position. The ability of an organization to provide superior value and/or lower prices will increase customer satisfaction and loyalty, thereby increasing its market share and profitability (Feng and Wang, 2000).

3. Developing Hypotheses and Conceptual Framework

3.1 Entrepreneurial Leadership and Organizational Performance

The literature review involves scrutinizing different types of research, including meta-analysis, empirical, and conceptual approaches, in an effort to understand how entrepreneurial leadership is associated with organizational performance. These studies, in particular the empirical studies, are able to demonstrate a direct relationship between the two variables (De Greef, 2014). These studies have documented how entrepreneurial leadership influence successful outcomes, and have linked its influence to the proliferation of SMEs (Koryak et al., 2015). Rahim et al. (2015) investigated the association of entrepreneurial leadership with organizational performance of Malaysian SMEs. The researchers found that there is a positive link between entrepreneurial leadership and organizational performance. Mgeni (2015) demonstrated that entrepreneurial leadership style is directly related to the organizational performance of Tanzanian SMEs. They concluded that the underperformance of Tanzanian SMEs is most likely due to the absence of entrepreneurial leadership skills. Moghaddam (2015) suggested that organizations have to be innovative and proactive in their effort to achieve their mission and goals; in a nutshell, they have to practice organizational entrepreneurship. The above discussion clearly shows that there is an association between entrepreneurial leadership and organizational performance. Therefore, the following hypothesis is proposed.

H₀₁: Entrepreneurial leadership has a positive effect on organizational performance.

3.2 Entrepreneurial Leadership and TQM Practices

Despite the apparent relationship between leadership and total quality management, there are still research gaps which have to be explored (Barbosa et al., 2017). The latest trend in leadership studies focuses on entrepreneurial leadership style (Leitch & Volery, 2017), and this field of investigation has been recognized by virtue of its pivotal role in setting high-quality standards, continuous improvement in development and better performance of an organization (Kim et al., 2014; Kozlowski, 2010; Renko et al., 2015). However, thus far empirical research has not been able to provide any definitive conclusion on the direct relationship between entrepreneurial leadership and TQM practice. The simple reason for the inconclusive results is that researchers have been focusing on different leadership styles and their association with TQM rather than entrepreneurial leadership. For example, Soliman (2018) has provided empirical evidence that different leadership styles among managers and senior specialists, such as visionary, charismatic, transformational, transactional and culture-based, have a considerable influence on the implementation of TQM in Egyptian mobile service companies. Kumar and Sharma (2018) examined the relationship between five leadership styles: transformational, servant, adaptive, rational, kinesthetic and TQM in Indian firms, and have determined that all leadership styles have a significant and positive influence on continuous improvement in TQM while kinesthetic learning and servant leaderships have no effect on innovation as a dominant TQM practice. Their study did not take in account entrepreneurial leadership. Even when taking into account the combined leadership styles, the results of

these studies are still inconclusive with respect to which styles are effective for entrepreneurs and which styles have positive effect on TQM practices. Birasnav (2014) investigated the link between transformational leadership behaviors and manufacturing strategies and found that transformational leaders ensure quality at all stages of production process and support and delivery process. Although some of the previous studies focused on a single leadership style, particularly transformational leadership, as pertinent in the implementation of TQM, these studies were not able to give a comprehensive answer to the question of how entrepreneurial leadership style impact TQM practices. A comparison of transactional leadership style with entrepreneurial leadership style shows that EL is transformational rather than transactional (Yang, 2008), and should be able to better explain TQM practices compared to other leadership style. Kumar and Sharma (2018) urged for more empirical studies to be carried out in order to explore other leadership styles that are related to TQM practices which may provide different results and more managerial insights on leadership styles. Thus, this study will attempt to bridge this gap by linking entrepreneurial leadership with TQM practices. The present study hopes to make a vital contribution to the leadership style literature by scrutinizing the relationship between entrepreneurial leadership and TQM practices of SMEs, and providing a deeper understanding of how entrepreneurial leadership is able to implement TQM practices. Therefore, the author proposed the following hypothesis:

H₀₂: Entrepreneurial leadership has a positive effect on TQM practices.

3.3 TQM Practices and Organizational Performance

TQM literature most often pointed out that most organizations contended that TQM practices is positively associated with organizational performance. Several empirical studies have been carried out in an attempt to understand how TQM practices are associated with organizational performance in the context of SMEs. Numerous studies have shown that it is possible for SMEs to adopt TQM with a fairly high degree of success (O'Neill et al., 2016; Herzallah et al., 2014). Sule et al (2017) examined and analyzed the impact of TQM practices on Nigerian SMEs, and found that the performance of SMEs is strongly influenced by the adoption and implementation of TQM practices. This is because TQM practices are able to assure continuous quality improvement whilst striving to achieve the desired outcomes. TQM is a key element which ensures the success of a business, especially in dealing with product recall and investigation of problems and their possible solutions. In addition, (Arunachalam et al., 2018) asserted that TQM practices have been accepted globally as a management approach and practice for developing quality. However, very little empirical studies on small and medium-sized enterprises (SMEs) have been carried out in the Gulf countries. Hence, there is an urgent need to examine TQM practices in this context. The preceding discussion has shown that previous studies support the relationship between TQM practices and organizational performance. Therefore, the author put forward the following hypothesis.

H₀₃: TQM practices have positive effects on organizational performance.

3.4 Entrepreneurial Leadership, TQM Practices, and Organizational Performance

Research on entrepreneurial leadership carried out in the recent past were not able to provide insights as to how organizational performance is influenced by entrepreneurial leadership as a unique style of management (De Greef, 2014; Arham et al., 2013). Even though entrepreneurial leadership has a substantial and beneficial effect on organizational performance (Rahim et al., 2015; Mgeni, 2015) it still requires an in-depth analysis in order to identify others variables that affect this relationship (Huang et al., 2014). The performance is not only influenced by the attributes and actions of the entrepreneurial leaders (Renko et al., 2015) or environmental dynamism (Huang et al., 2014), but also influenced through organizational characteristics (Renko et al., 2015) thus, TQM practices may also play a significant role in enhancing organizational performance (Sule et al., 2017; Sahoo & Yadav 2017). In this context, entrepreneurship and TQM are complementary orientations (Dudek, 2015); therefore, entrepreneurial leadership needs a TQM to ensure its superior performance through better understanding the concepts of TQM practices, and gain insights about quality objective setting and then be able to communicate to the employees, and TQM needs entrepreneurial leadership to create an organizational culture that is conducive to support TQM implementation (Sahoo & Yadav, 2018). Hence, a successful implementation of TQM practices is very dependent on an entrepreneurial leadership which encourages employees to continuously seek novel ways to do things better, and to produce better products, processes, and services which not only satisfy clients, but may be even impress them (Olutade, 2015; Fischer et al., 2017). As a result, businesses that are led through exceptional entrepreneurial leadership would be more willing to implement TQM practices. Therefore, the effects of entrepreneurial leadership on TQM could result in better SME performance. Many studies have shown that TQM practices can affect organizational performance through a mediation role. Al-Dhaafri and Al-Swidi (2016) examined the ways that entrepreneurial orientation (EO) and total quality management (TQM) influence organizational performance. The statistical results of their study verified that organizational performance is determined by EO and TQM, and that TQM practices mediate EO's effect on organizational performance. The findings of this study were in agreement with those made by Imran et al. (2018) who analyzed the data from SMEs in Pakistan in order to determine the mediating role of TQM practices between entrepreneurial orientation (EO) and SMEs export performance. Their study revealed a strong association between EO and TQM practice with the SMEs export performance. They were also able to demonstrate TQM's complementary mediating role between EO and SMEs export performance. It should be noted the dearth of research on entrepreneurial leadership and performance means that this area should be the focus of future inquiry

(Renko et al., 2014, 2015; Huang et al., 2014; Arham et al., 2013). A review of the literature confirms the beneficial effect of TQM practices (Panuwatwanich & Nguyen, 2017, Qasrawi et al., 2017; Costantini & Zanin, 2015) and entrepreneurial leadership (De Greef, 2014, Mgeni, 2015, Arham et al., 2013) on organizational performance. Surprisingly, very few studies have examined the combined impact of entrepreneurial leadership and TQM practices on the organizational performance of SMEs. Entrepreneurial scholars have urged for more in-depth research to be carried out in an effort to make a definitive conclusion on the positive relationship between entrepreneurial leadership and performance which may occur against a backdrop of powerful mediation mechanisms variables (Huang et al., 2014; De Greef, 2014). In the light of the disparity in current knowledge, this research seeks to fill the gap by studying entrepreneurial leadership and organizational performance in the hope of mediating them with TQM practice, thereby obtaining a better comprehension of the relationship between entrepreneurial leadership and SMEs performance. This has led to the following hypothesis.

H04: TQM practices mediate the relationship between entrepreneurial leadership and organizational performance of SMEs.

The findings of related previous literature are used to develop a conceptual framework that is underpinned by the resource based view theory (RBV); this theory states that the performance of an organization is dynamically impacted by its current internal resources and abilities. This assertion is premised on the fact that organizations could achieve competitive advantage over their rivals by efficiently utilizing their internal resources. Hence, the proposed model shows the relationship between the three variables and their impact on SMEs in Kuwait. These variables are categorized as: (1) independent variable: entrepreneurial leadership; (2) dependent variable: organizational performance; (3) mediation variable: TQM practices (Fig. 1). The present study is the one of the few studies investigating the implications of SMEs' TQM practices as a mediation variable on the association of entrepreneurial leadership with organizational performance in order to gain a deeper understanding insight of this relationship.

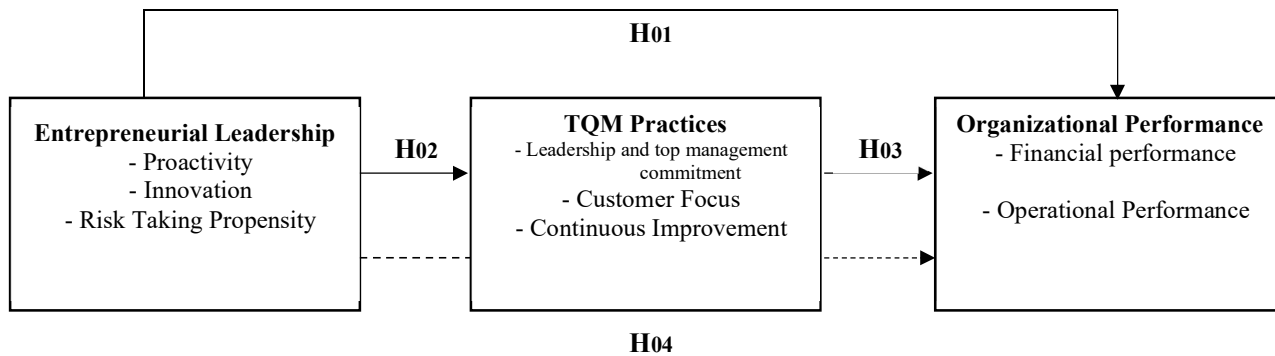


Fig. 1. Conceptual framework

4. Methodology

The present study has conducted an extensive review search for organizational performance of SMEs models and frameworks used in previous empirical studies. A new conceptual model is proposed which combined two important constructs (EL and TQM practices) of SMEs organizational performance. This study used a quantitative approach and tested a structural model using variance based structural equation modelling. A set of questionnaires was designed based on the literature review. In the present study organizational performance is represented by two dimensions, financial performance and operational performance. The operationalization of EL is based on three dimensions: proactivity, innovation, and risk-taking propensity. This study also operationally measures TQM practice as a mediating variable based on three dimensions, namely the commitment of leadership and top management, customer focus, and continuous improvement. The questionnaire consists of different sections based on the research questions. Section (A) concerns the demographic characteristics of respondents and the background of the study. Sections (B, C, and D) are designed to collect information about the variables (EL, TQM practices, and OP). The target population of this research is the owners and CEOs of Kuwait's SMEs, and the respondents were selected using a simple random sampling method. All items for the variables were measured using a Five-Point Likert Scale which ranges from strongly disagree to strongly agree. The questionnaire was administered through a face to face survey with the respondents. The questionnaire was distributed to SME 500 owners and CEOs and a total of 392 questionnaires were returned. Subsequent to data cleaning a total of 384 of the questionnaires were found to be useable. Preliminary data analysis was done using SPSS in order to address the problems of missing values, outliers and non-normality of the data. The main analysis was done using Smart PLS 3. Assessment of the measurement model was made by considering reliability and validity values while the hypotheses were tested using bootstrapping method to assess the significance of the claimed relationships.

5. Results and Findings

The study used Smart PLS version 3 to test the results of the hypotheses. The first step in structural equation modeling is to evaluate the measurement model. Fig. 2 presents the measurement model along with the item loadings.

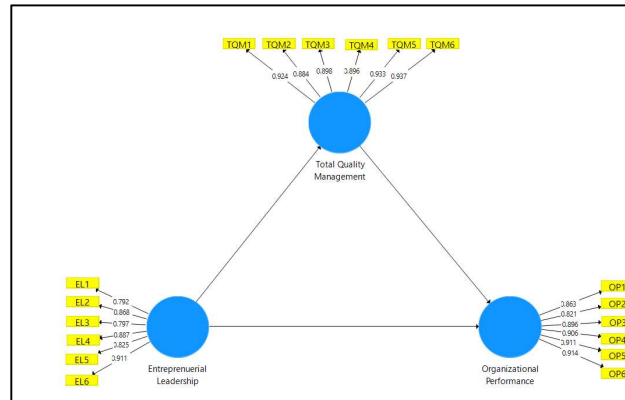


Fig. 2. Measurement Model (Factor Loadings)

5.1 Measurement Model Assessment (Pls-Algorithm)

A PLS Algorithm was implemented to examine the validity of the constructs. Results show two types of validity convergent and discriminant validity. Both validity analyses are discussed below.

5.1.1 Confirmatory Factor Analysis

The factor loadings were verified using Cronbach’s Alpha, Composite reliability and Average Variance Extracted. According to Hair et al. (2014) the threshold for convergent validity measure is a factor loading greater than 0.5 for each item; the values for composite reliability should be greater than 0.8 and the value for alpha should be greater than 0.7. All the values met the initial criteria and thus convergent validity is ensured.

Table 1
Convergent validity, Cronbach's alpha, Composite Reliability (CR), AVE

Construct	Items	Loading	Cronbach’s Alpha	CR	AVE
Entrepreneurial Leadership	EL1	0.792	0.922	0.939	0.719
	EL2	0.868			
	EL3	0.797			
	EL4	0.887			
	EL5	0.825			
	EL6	0.911			
TQM Practices	TQM1	0.924	0.96	0.967	0.832
	TQM2	0.884			
	TQM3	0.898			
	TQM4	0.896			
	TQM5	0.933			
	TQM6	0.937			
Organizational Performance	OP1	0.863	0.945	0.956	0.785
	OP2	0.821			
	OP3	0.896			
	OP4	0.906			
	OP5	0.911			
	OP6	0.914			

5.1.2 Discriminant Validity

Table 2
Heterotrait –Monotrait Ratio

	EL	OP	TQM Practices
Entrepreneurial Leadership			
Organizational Performance	0.425		
TQM Practices	0.374	0.495	

Table 2 shows the HTMT ratio. Examination of the discriminant validity shows that all HTMT ratios are less than the threshold value of 0.85 (Voorhees et al., 2016). Hence the discriminant validity of the construct is assured. The green bars in the figure show that discriminant validity is present in the construct.

5.1.3 Structure Equation Modelling

The structural model was run using bootstrapping. Results show the direct and indirect effects. The direct effects are used to test the direct hypotheses while the indirect effect was used to test the mediation hypothesis (Hair et al., 2014; Soto-Acosta et al., 2016).

5.1.4 Path Model (Bootstrapping Results)

Table 3
Direct Effects (Hypotheses 1 to 3)

Hypotheses	Relationship	Std. Beta	SE	T Statistics	P Values
H01:	Entrepreneurial Leadership → Organizational Performance	0.269	0.063	4.267	0.000
H02:	Entrepreneurial Leadership → TQM Practices	0.359	0.052	6.96	0.000
H03:	TQM Practices → Organizational Performance	0.379	0.065	5.846	0.000

The results of Table 3 show a positive and significant association ($\beta=0.269$, $P=0.00$) between entrepreneurial leadership and organizational performance. Similarly, entrepreneurial leadership and TQM practices are also positively and significantly linked ($\beta=0.359$, $P=0.00$), while TQM practices has a positive and strong association ($\beta=0.379$, $P=0.00$) with organizational performance. Hence hypotheses 1, 2 and 3 are supported. Fig. 3 shows the path coefficients along with the p-values.

Indirect Effect/Mediation (Hypothesis 4)

Hypothesis	Relationship	Std. Beta	SE	T Statistics	P Values
H04	Entrepreneurial Leadership → TQM Practices → Organizational Performance	0.136	0.03	4.501	0.000

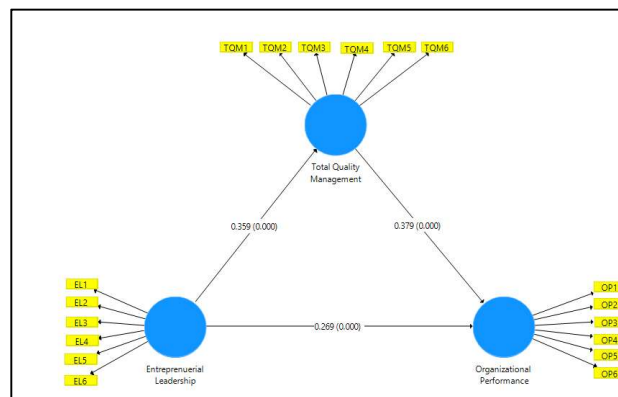


Fig. 3. Path Model (Coefficients and P-values)

The result for mediation shows that entrepreneurial leadership has a significant indirect effect on organizational performance through the mediation of TQM practices. Hence, TQM practices play an important mediating role between entrepreneurial leadership and organizational performance with ($\beta= 0.136$, $P=0.00$). Hence H04 is supported.

6. Discussion

Results of the data analysis reveal that entrepreneurial leadership had a beneficial and strong influence on organizational performance. The outcomes of this study are congruous with those obtained by (De Greef, 2014; Rahim et al., 2015). Mgeni (2015) has also demonstrated a direct association of entrepreneurial leadership style with the organizational performance of Tanzanian SMEs. Moghaddam (2015) emphasized that organizations must be innovative and proactive in their endeavor to achieve their mission and goals; in a nutshell, they have to practice organizational entrepreneurship. Hence, the first hypothesis

(H₀₁) of this study is well-substantiated by previous works. The second hypothesis (H₀₂) suggested the positive impact of entrepreneurial leadership and TQM practices, and the results support the hypothesis. Even though there is a clear relationship between leadership and TQM practices, there are research gaps which have to be explored (Barbosa et al., 2017). The direct association of entrepreneurial leadership with TQM practices have yet to conclusively demonstrated. Kumar and Sharma (2018) recommended for more empirical studies to be carried out to explore other leadership styles that are linked with TQM practices which may provide different results and more managerial insights on leadership styles. The current study has attempted to bridge the gap and have provided empirical evidence on entrepreneurial leadership's association with TQM practices. The third hypothesis (H₀₃) proposed the association between TQM practices and organizational performance, and the study has demonstrated the beneficial and considerable association between the two variables. Several studies have shown that it is possible for SMEs to adopt TQM practices with a fairly high degree of success (O'Neill et al., 2016; Herzallah et al., 2014). Sule et al (2017) examined and analyzed the consequences of adopting TQM practices in Nigeria's SMEs and have obtained similar results. Hence H₀₃ is in agreement with the existing literature. The fourth hypothesis (H₀₄) suggested the mediating role of TQM practices and results indicate an important mediating role of TQM practices between entrepreneurial leadership and organizational performance. Entrepreneurial scholars advocate for further research to be performed in order to draw a definitive conclusion on the positive association between entrepreneurial leadership and performance which may occur against a backdrop of powerful mediation mechanisms variables (Huang et al., 2014; De Greef, 2014). The current study has empirically demonstrated the critical mediating role of TQM practices in the entrepreneurial leadership association with organizational performance.

7. Conclusion

The concept of entrepreneurial leadership is becoming increasingly vital given that SMEs have to be more entrepreneurial in their effort to improve their performance and their ability to adapt to different circumstances so as to ensure long term success. Entrepreneurial leadership is a relatively new concept and is currently not well understood in developing countries. Therefore, there is a need to analyze and understand the gap between the mutual influence of entrepreneurial leadership and its traits and characteristics and other variables such as TQM practices. As with other studies, the present study has made theoretical and empirical contributions to the existing body of knowledge. The study has provided a new conceptual framework that investigate the TQM's mediating effect on the association of SMEs' entrepreneurial leadership and organizational performance. This effect has been demonstrated by the present study, and thus can serve as an incentive for more research to be conducted in this regard in different developing countries.

This study urges SME entrepreneurs and CEOs to be cognizant of the relevance of TQM practices. This requires for SMEs to understand themselves and what TQM practices really means to them prior to beginning their TQM journey. The leadership style of entrepreneurs / CEOs is the primary determinant of the success of any TQM initiative. Thus, entrepreneurs and CEOs should focus primarily on establishing an organizational culture that facilitates the implementation of TQM in order to continually enhance performance. Organizational change is highly unlikely to succeed in the absence of a supportive culture.

In this situation entrepreneurship and TQM are complementary tools. Therefore, entrepreneurial leadership needs a TQM to ensure its superior performance through better understanding the concepts of TQM practices, and TQM needs entrepreneurial leadership to create an organizational culture that is conducive to support TQM implementation. Thus, leadership is important in each phase of TQM implementation, particularly in the initial phase. An organization with a strong entrepreneurial leadership is more likely to implement TQM practice. The potential effects of entrepreneurial leadership on TQM could ensure better performance of SMEs. Hence, successful implementation of TQM practices is dependent largely on entrepreneurial leadership which encourages employees to continually search for new ways to do things better and produce better products, processes, and services which not only satisfy clients but may be even impress them. Finally, the findings of this study may be useful in helping business owners, CEOs, practitioners, and decision makers ensure a good organizational performance by putting TQM into practice as a result of entrepreneurial initiatives and activities to develop the business and enhance the organizational performance. Put simply, TQM can help entrepreneurial organizations gain the competitive advantage that differentiate the organizations from their rivals and consolidate their market position.

8. Limitation of The Study and Future Research

This study has developed a model which focused on the SMEs in Kuwait, and therefore there is a need for future studies to examine the framework of this study in the context of other countries and in different industries, such as the technological industry, in order to be able to generalize the results. The authors also proposed identifying the effect of other TQM factors such as training, employee involvement, and supplier relationship. Finally, future studies could investigate the mediation role of innovation management and the moderation role of learning orientation on the association of entrepreneurial leadership with organizational performance.

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