

## HOW CORPORATE ENTREPRENEURSHIP IS IMPORTANT FOR ORGANIZATIONAL PERFORMANCE OF TEXTILE SECTOR OF PAKISTAN: MEDIATING ROLE OF HUMAN CAPITAL AND INNOVATIVE PERFORMANCE

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ARTICLE INFO	ABSTRACT
<p><i>Article History:</i> Received: 24 Jul 2019 Revised: 03 Sep 2019 Accepted: 11 Jan 2020 Available Online: 02 Mar 2020</p> <hr/> <p><i>Keywords:</i> Corporate Entrepreneurship, Innovative Performance, Human Capital, Organizational performance</p> <hr/> <p><i>JEL Classification:</i> L26, L31</p>	<p>In the present era, the Textile sector is facing a competitive and dynamic environment. Due to international competition, the textile sector is in focus to adjust their competitive positions to sustain their organizational performance (OP). The link of Corporate Entrepreneurship (CE) studying in the textile sector is quite reasonable as the foreign revenue earned by Pakistan is mainly contributed by textile and apparel exports. It is witnessed that the investors and management of the Textile sector are not dynamic as they are not interested in innovations, new product development, and price comparativeness. Consequently, the revenues are continuously decreasing for the last few years. This empirical study investigates two main objectives. (1) Is there any positive relationship between CE and OP in organizations? (2) Are human capital and innovative performance play mediating roles between CE and OP in Pakistan's textile sector? The multiple serial mediation regression methods of Hayes (2013) was used to compute the results of the surveyed data. The discussed model is entirely new in its concept so, the results and remedies were expected different from the others. The previous researches on the relationship between CE and OP were simple and our research negates this and introduced more variables which could be an essential factor for retaining innovative performance as well as higher organizational performance. The results show that the H1 is rejected. Moreover, H2 is accepted by confirming the mediating effects of HC and IP between CE and OP.</p>

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### 1. INTRODUCTION

Indeed, it is characterized by intense global competition, increased uncertainty and dynamic change that there is a need of organizations to become innovative exponentially. Under this context, corporate entrepreneurship as means available for existing organizations to explore continuously and exploit opportunities that were not previously exploited is inevitable more than ever (Stevenson & Jarillo, 1990; Krackhardt, 1995). Regardless of industry in current global market, organizations are composed by competitors. Organizations are trying to meet competition through creating the competitive advantage. As the management and all operations handling is in the hands of humans so, strategy makers consider a good workforce as a competing tool. Because they have skills, knowledge and competencies to face the complex and dynamic environment. However, they prefer to invest on their development programmers for the purpose of achieving higher performance level. In this specified study the prominent variables are corporate entrepreneurship and human capital. These variables are appropriate for each other according to common sense phenomena. It is suggested that CE described as “*the process where an individual or a group of individuals, within an established company, creates an innovation or a new organization and is involved in the process of wealth creation.*” Furthermore, we limit the concept of entrepreneurship as a behavioral phenomenon at the individual level and the logic is that innovations in organizations come from individuals.

At firm-level another critical part of performance is innovative performance and it has been a key driver of productivity in abundance and economic growth as well as according to the publication of Kubis (2009) for innovative performance the Entrepreneurship is at the heart of innovation (Griffith, Noble, & Chen, 2006). Even though, it seems like an easy comprehensive relation of innovative performance and organization performance, one could go on reviewing the literature breakthrough innovation drive and allow organizations to consistently provide returns more than average (Lawless & Anderson, 1996; Sood & Tellis, 2009; Sorescu et al., 2003; Zahra, 1996).

The contextual contribution of this study focuses on the debacle of textile sector performance. It is a fact that the foreign revenue i.e. earned by Pakistan is mainly contributed by textile and apparel exports. However, since last few years the decrease in overall textile exports and closure of many textile institutes call for meticulous attention. This study will try to find out possible solutions to regain the previous status of performance of textile sector by focusing the most neglected factors as suggested by managers and theory. As far as the preliminary data is concerned, it is witnessed that the investors and management of textile sector are not dynamic as they are not interested in innovations, new product development and price comparativeness. Keeping this in mind the research will focus on the textile sector of Pakistan as its context.

### 1.1 Research objective

- To study how corporate entrepreneurship is essential in enhancing the organizational performance.
- To study whether human capital and innovative performance play mediating role among CE and OP.

### 1.2 Research questions

1. Is there any relation between corporate entrepreneurship and organizational performance?
2. Do human capital performance and innovative performance mediate between CE and OP?

## 2. LITERATURE REVIEW

### 2.1 Antecedents of corporate entrepreneurship

Corporate entrepreneurship referred to those activities which intensify the abilities of company to take risk, grab opportunities of market and innovate. It also suggested that “the development of new products or services, administrative systems and techniques, and the development of new business models and business ventures” (Kuratko, Montagno, & Hornsby, 1990). In literature corporate entrepreneurship concept is measured by different authors (Covin, Jeffrey & Slevin, Dennis, 1989; Knight, 1997; Zahra, 1993; Kuratko et al., 1990; Hornsby et al., 2002). In doing so, authors with consensus of different literature in the domain of entrepreneurship has agreed on main five facets of corporate entrepreneurship i.e. “Management support for generating and developing new business ideas, Allocation of free time, Convenient organizational structures concerning, in particular, decentralization level or decision making autonomy, appropriate use of incentives and rewards, tolerance for trial and errors or failures in cases of creative undertaking so risky project implementations” (Kuratko et al., 1990). Firstly, Management Support for Generating idea referred as “*Encouragement of entrepreneurial idea generation and development*” (Hornsby, Naffziger, Kuratko, & Montagno, 1993). Then, free time allocation defined as “*Provision of sufficient time to work on developing novelties without any burden of routine workload*” (Slevin & Covin, 1997). Work Discretion refers as “*Decision making initiative of the staff about their work*” (Zahra, 1991). Reward System on Performance Basis explained as “*availability of a performance-based reward system and encouraging innovativeness*” (Kuratko, Ireland, Covin, & Hornsby, 2005). Risk Taking Tolerance refers as “*Recognizing risk taking entrepreneurs even if they fail and encouraging them to implement their novel proposals and projects*” (Kanter, 1996).

According to Kuratko & Montagno (1989) the activities to awake or enhance entrepreneurial spirit at workplaces are caused by first facet of corporate entrepreneurship within an organization. Moreover, these activities are dependent on abilities of employees as they have control the circumstances and uncertainties of the project’s results (Schuler & Jackson, 1987). The second dimension of corporate entrepreneurship is contributing in entrepreneurial work as well in which “free time” is provided to employees within the organization for innovative initiatives. However, Ender et al. (2003) proved that many novel ideas and projects implementations are the results of spare time thinking by entrepreneurs. Corporate Entrepreneurship contains third dimension “work discretion” which is described as a convenience of organizational structure for lower level employees related to especially decentralization level while strategy making for operations of organization (Mintzberg, 1973). How much autonomy have employees in their jobs work refers as Work discretion (Kuratko et al., 1990). Fourth dimension of corporate entrepreneurship is also more influencing towards innovative activities i.e. reward system. Moreover, if people of management have interested in rewards system than the probability is more of innovative work and success of organization will turn to be advantageous for all parties (Thornberry, 2003). The intensions of wining rewards is associated with their willingness of taking risk which is associated with entrepreneurial activities (Kuratko et al., 1990). The fifth dimension represents risk permissiveness of top managers which encourage individual to become more innovative and allow entrepreneurs to take risks (Hornsby & Kuratko, 1990; Hornsby et al., 1999; Hornsby et al., 2002).

### 2.2 Importance of human capital

The current literature demonstrates rare empirical tested models on the interaction between CE and HC. If how to develop human capital properly and consistently for CE question is unanswered then Inconsistent innovative

performance in organizations be possible which is the reason of organizations living (Jansen et al., 2009; O'Reilly & Tushman, 2004). Subsequently, organizations need more entrepreneurship and innovation (Rosenfeld, 2007). Scientific research into human capital provides evidence for the perspective of income earning by any organization or society and this perspective gives the high scores to human capital. Human capital described by Gary Becker "stored valued of knowledge or skills of members of the workforce". According to the consensus researchers it is defined as "human capital is critical to the formation and performance of entrepreneurial ventures" (Smart, 1999).

Firm's "resource-based view" have emphasized on this intangible resource importance with high probability to produce a competitive advantage as compare to the firm's tangible resources (Hitt, Hoskisson, Johnson, & Moesel, 1996). Moreover, literature emphasized on the importance to create HC in organization by spending money on training, transfer, and retention costs. The analysis yielded the work of Petty & Guthrie (2000) who described that money spent on HC is not a cost but it is investment especially in knowledge intensive organizations. In addition, innovative organizations are highly depending on educated teams, who are different with aspect to their expertise in functional areas (Bantel & Jackson, 1989). Moreover, in literature evidences are available from different cultures around the world if human capital is refined and improved as well as if the staff is more efficient then it seems an increase in organizational innovativeness (Dakhli & De Clercq, 2004).

### 2.3 How human capital act as mediator in literature

The main variables discussed in present study are corporate entrepreneurship and human capital. As suggested that CE defined as "the process where an individual or a group of individuals, within an established company, creates an innovation or a new organization and is involved in the process of wealth creation". In entrepreneurial process "a person who creates values where there was none before and whose traits are innovativeness, pro-activeness, and affinity towards risk taking" is an entrepreneur (Kolaković & Holmik, 2006). More importantly not only corporate entrepreneurship is run by humans but humans also gain environment of learning of innovativeness form corporate entrepreneurship. So, it is "a process by which individuals inside organizations pursue opportunities without regard to resources they currently control" (Stevenson & Jarillo, 1990). In eco of dynamic environment organizations are compelled to make their organizations and employees more entrepreneurial (Brazeal & Herbert, 1999).

### 2.4 Innovative performance leads to organizational performance

Even though, it seems like an easily comprehensive relation between innovative performance and organization performance. One could go on reviewing the literature breakthrough innovation drive and allow organizations to provide consistent returns above average (Lawless & Anderson, 1996; Sood & Tellis, 2009; Sorescu et al., 2003; Zahra, 1996). Moreover, Tushman (1997) demonstrates that organizational innovation performance alone is nothing but it provides multiple effects and support on the organizational performance. As we have theoretically established relationship among CE and OP (Zahra, Neubaum, & Huse, 2000). Many studies are empirical witnessed for the importance of CE in business organizations through entrepreneurial activities creates competitive advantage as well as high financial turnover (Zahra et al., 2000; Barringer & Bluedorn, 1999; Zahra & Covin, 1995). In contrast, what could be the antecedents of innovative performance is a research question. However, to solve this query some researchers argues that the abilities of CE i.e. capacity of innovation, taking risk, and the ability to face competition. These abilities of CE creates innovative performance in organizations (Pittaway, 2001; Sitkin & Pablo, 1992).

## 3. THEORETICAL FRAMEWORK

This research depicts the theoretical framework (fig 1) as; the organization performance is dependent variable; corporate entrepreneurship is independent variable. Furthermore, human capital and innovative performance mediate among corporate entrepreneurship and organization performance.

### 3.1 Hypothesis

**H<sub>1</sub>:** Corporate entrepreneurship has a positive relationship with organizational performance.

**H<sub>2</sub>:** Human capital and innovative performance mediate among corporate entrepreneurship and organizational performance.

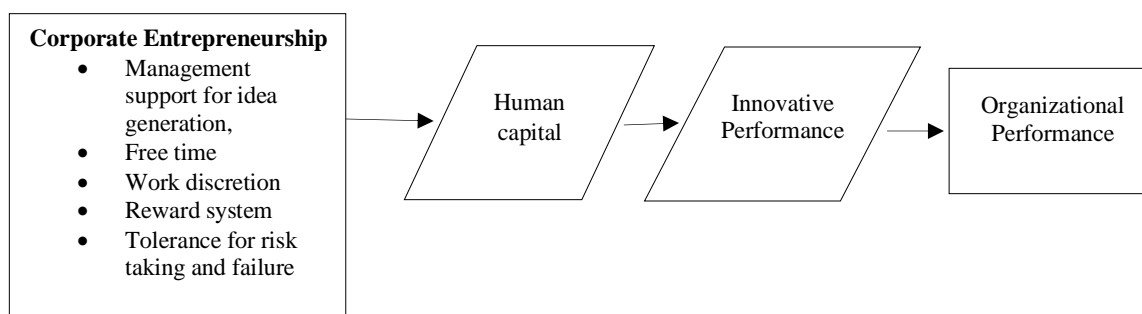


Fig. 1. Schematic Model of Research

#### 4. RESEARCH STRATEGY AND METHODOLOGY

Quantitative research method will be used for this research and for collection of data will use survey method. Quantitative method permits practitioners to recognize the variables connected to hypotheses and research questions that enables researcher to examine the recognized concepts (Creswell, 2009). Moreover, cross-sectional or either longitudinal design will be adopted for survey (Creswell, 2009). However, Cross sectional method is suitable to calculate existing individual's perspective.

##### 4.1 Population

We will take Textile sector as the population of this study. For this, the process of selecting organizations for current survey will wholly depends on researcher's contacts that he had in textile sector of Faisalabad and Lahore thus this research will take convenient sampling methods to select necessary textile companies in the cities.

##### 4.2 Sample size

The unit of analysis for this research will include respondents from managers, deputy managers, and assistant managers included similar positions senior officers. The size of organization includes all LME and SME of Lahore and Faisalabad.

##### 4.3 Sampling

For the present research, convenient sampling method will use for data collection. Bryman (2008) referred to various researchers to use convenient method for collecting data, at the same time he has argued for acceptance of convenient sampling method because of the dilemma of accessibility. Moreover, sampling can be reduced by enlarging the size of sample. Enlarged sample size can reduce the possible errors of sampling and magnifies the sample accuracy (Blaikie, 2018; Bryman & Cramer, 2009). Using a convenient sampling method, we will approach 200 respondents.

##### 4.4 Survey instrument

For data collection, we will use questionnaire for survey. There are several ways to measure corporate entrepreneurship (e.g. Covin, Jeffrey & Slevin, Dennis, 1989; Knight, 1997; Zahra, 1993). Hornsby et al. (2002) put an effort to address organizational factors and presented "Corporate Entrepreneurship Assessment Instrument (CEAI)" that helps to measure five internal factors which emerged fusion of entrepreneurship literature. Specifically, we are taken the instrument measures of Hornsby et al. (2002) consists of "Management support for idea generation, Free time, Work discretion, Reward system and Tolerance for risk taking and failure". The HC measurement will use from the research work of (Subramaniam & Youndt, 2005). As long as, the construct of "innovative performance" is concerned, items were adopted from the study of Antoncic & Hisrich (2001). Organizational performance is measured by two measures growth and profitability which are very famous measures in literature review. These all scales are well established and high Cronbach alphas are reported in existing literature review.

##### 4.5 Pilot study

Before the actual survey, a pilot study was conducted to check the instrument reliability within the current research context. From different textile companies of Faisalabad and Lahore 50 questionnaires were filled. After successful collection of 50 questionnaire, to check whether items within construct were co-related an inter item correlation test was run. This test helps in establishing content validity as well as ecological validity. The result of correlation test enabled us to eliminate those items which, have scores less than .30. A reliability test was also to

ascertain the internal reliability of construct. All Cronbach Alpha results were up to acceptable level which suggested that questionnaire could be used for this specific study successfully.

**4.6 Survey procedure**

The questionnaires were distributed through contact in selected textile companies to respondents. Those were personally requested for and early completion of the survey and they were assumed that all information will be kept confidential and only used for academic research.

**5. RESULTS AND ANALYSIS OF STUDY**

The detailed results of analysis which had been explained precisely according to the results are as follows:

**5.1 Reliability**

In general, for social and quantitative research particularly the most important researcher’s concern is research instrument capability to generate consistent and repeatable results (Bryman & Cramer, 2009). Questionnaires reliability was measured by using Cronbach alpha. The Cronbach alpha of all questionnaire model was recorded above the standard value (>.60). Reliability of corporate entrepreneurship was recorded (0.841). The values of Cronbach for questionnaires were recorded as; human capital (0.808), innovative performance (0.670), and organizational performance is (0.64). All values of reliability do meet the standard measures (>.60).

**Table 1.** Frequent gender of respondents

Gender	Frequency	Percent	Valid Percent	Cumulative
Male	110	100	100	100
Female				
Total	110	100	100	

In the above table 1 presents the results of the reported frequency of male and female respondents. Interestingly, there had been no female respondent as a part of our findings. The total feedback had been accounted from males.

**Table 2.** Frequent education of respondents

Education	Frequency	Percent	Valid Percent	Cumulative
Undergraduate	30	27.7	27.7	27.7
Graduate	68	61.8	61.8	89.5
Master >	12	10.5	10.5	100
Total	110	100	100	

In table 2 frequency of employees on the basis of their education has been analyzed. Results had shown that the employees in industries do not pursue higher education after they are employed. A total of 30 undergraduate and 68 respondents were observed to be graduate who were accounted to be higher.

**Table 3.** Frequent designation of respondents

Designation	Frequency	Percent	Valid Percent	Cumulative
Manager	26	23.6	23.6	23.6
Dep. Manager	34	30.9	30.9	54.5
Ass. Manager	50	45.5	45.5	100
Total	110	100	100	

Table 3 depicts the reported frequency of the employees as per their designation. The study classified the employees into three categories as manager, deputy manager, and assistant manager. The reported percentage of the respondents accounting in total sample was 23.6% (managers), 30.9% (Dpt. Managers), and 45.5 (Asst. managers).

**Table 4.** Frequent location of organizations

Location	Frequency	Percent	Valid Percent	Cumulative
Lahore	24	21.8	21.8	21.8
Faisalabad	86	78.2	78.2	100
Total	110	100	100	

Table 4 represents the frequencies of data collection from two major cities of Punjab. Out of 110 organizations, 78.2% of data were piled up from Faisalabad organizations of and 21.8% data were gathered from Lahore organizations of. The comparative percentage of two cities was observed to be 78.2% and 21.8%.

## 5.2 Descriptive

**Table 5.** Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Corporate Entrepreneurship	110	2.83	6.56	4.8303	.71669
Human Capital	110	1.00	6.60	5.160	.93369
Innovative Performance	110	2.50	6.50	5.3227	.71384
Organizational Performance	110	3.50	7.00	5.4091	.75475

In the above table 5 figures of descriptive statistics have been mentioned for each variable. In analysis of descriptive statistics every variable was evaluated through mean, standard deviation, minimum value, and maximum value. The results of the descriptive analysis were reported as corporate entrepreneurship (.71669), human capital (.93369), innovative performance (.71384), and organizational performance (.75475).

## 5.3 Correlation

**Table 6.** Correlation matrix

	Corporate Entrepreneurship	Human Capital	Innovative Performance	Organizational Performance
Corporate Entrepreneurship	1			
	110			
Human Capital	.416**	1		
	.0000			
	110	110		
Innovative Performance	.420**	.631**	1	
	.0000	.0000		
	110	110	110	
Organizational Performance	.291**	.225**	.559**	1
	.002	0.18	.0000	
	110	110	110	110

The above 6 table depicts correlation matrix between corporate entrepreneurship (I.V), human capital (M1), innovative performance (M2), and organizational performance (D.V). The relationship of corporate entrepreneurship

and human capital is recorded to be positively significant at (.416\*\*, P<.05). The relationship among corporate entrepreneurship and innovative performance was also statistically significant and was recorded (.420\*\*, P<.05). However, relations between corporate entrepreneurship (CE) and organizational performance (OP) was also observed to be statistically significant (.291\*\*, p<.05). Other relationships were also statistically significant as the correlation between CE and innovative performance was .631\*\* and relationship of CE and OP was .225\*\*. Whereas, the relationship among innovative performance and organizational performance was also significant (.559\*\*) and p value for each relationship was also observed to be less than .05.

**5.4 Regression**

The technique used to analyze regression model was adopted from the methodology proposed by Hayes in 2013 named serial mediation regression method. Our regression model comprised of 4 variables which included corporate entrepreneurship (X), human capital (M1), innovative performance (M2), and organizational performance (Y). The model was based on two mediating variables. Hayes (2013) proposed a set of methodologies for analyzing different models of regression. The model adopted for the regression model was based on 4 steps. In step-1 indirect effect of X on Y is analyzed through mediating M1. In second step, M2 will be considered for measuring the indirect effect of X on Y. In third step, indirect effect of X on Y will be observed through M1 and M2. The fourth step will observe the direct effect of X on Y, thus excluding both mediating effects.

**Table 7.** Regression

Antecedent	M1			M2			Dependent		
	Coef	Se	P	Coef	Se	P	Coef	se	P
Corporate Entrepreneurship	.5422	.1140	.0000	.1899	.0800	.0195	.1174	.0930	.2098
Human Capital (M1)	-	-		.4221	.0614	.0000	-.194	.0386	.0218
Innovative Performance (M2)	-	-		-	-		.7027	.1095	.0000
Constant	2.5412	.5566	.0000	2.2278.3882	.0000		2.1062	.5030	.0001
	R=.5213, R-square=.2718 F=55.2389, P=.0000			R=.6547, R-square=.4287 F=40.1450, P=.0000			R=.5916, R-square=.3500, F=19.0215, P=.0000		

The overall summary of regression model indicates the indirect effect of X on Y via M1 and M2 where .5916 R value was observed with P<.05 level. However, direct effect of X on Y excluding the effects of mediating variables was recorded to 11% with P>0.05 level, which is insignificant. Summarizing the regression analysis, it is observed that model follows indirect effect of X on Y through M1 and M2. Thus, model which was based on multiple serial mediations is supported from above analysis.

**6. DISCUSSION**

This objective as stated was driven by the logic of RBV and tried to asses’ management decisions in their investments and development of strategic resources that contribute more to organizational performance than others. Resources limitation logically advised the allocation efficiently and effectively. However, the effort to shed light on above mentioned issue, firms not clearly recognize their intangible assets due to this reason they do not manage these issues correctly (Andriessen, 2004). Present research was the first of its kind in study to test known relationships as well as to understanding the roles that human capital and innovative performance plays between these above-mentioned relationships. Results indicated that study does not prove H1 as corporate entrepreneurship has a positive relation with organization performance. The hypothesis which was proposed on the premise that corporate entrepreneurship efforts increase the performance level. According to this the firms achieve higher growth and profitability level which engage in intrapreneurial activities than those organizations that do not. So far, it is suggested that the only one variable is not enough in this current dynamic situation of the competitive environment. As for as the preliminary data is concerned another reason to reject this hypothesis is maybe it is witnessed that the investors and management of textile sector are not dynamic as they are not interested in innovations, new product development and price comparativeness. In the light of RBV theory this specific research introduced new combination of resources blend to prove the inevitable presence of more influencing variables for the functioning of corporate entrepreneurship activities to survive and grow the Pakistan’s textile sector. Moreover, this research showed the survey of the current demand of textile sector progress. However, through this survey we find out that in our textile sector of Pakistan CE

is closely related with firm's performance, with polished, flourished, human capital along side by side high innovative performance. In the light of above analysis our H2 is accepted, it is noticeable from analysis that corporate entrepreneurship is only applicable with the mediating role of both human capital and good innovative performance of organization to perform high. Practitioners are suggested by this research that may be the organizations that possess polished, well organized and appropriate human capital along with high innovative performance experience better results in the form of organization performance. The organizations who are trying to fulfill this need of time are more successful between their competitors comparatively the traditional ones. Therefore, this research provides a good path to the organizations to attain higher profitability and survival at present circumstances.

Corporate managers have a dual mission of constantly creating extra innovation in organization's operations, to sustain a competitive edge in current market, even as flourishing to minimize the costs and enhance productivity. This study suggests that business leaders of textile sector should give more importance to innovation for attaining high organization performance. Moreover, this study also suggested that business leaders, while formulating innovative performance strategy should use all CE components as antecedents. This research benefited to practitioners and give them advice to concentrate those variables what are more valuable or result oriented i.e. human capital and innovative performance for creation of high organizational performance. Indeed, the resource-based theory of firm reinforced the idea that competitive advantage flows from unique resources of organization (Nelson & Winter, 1982) eventually leading to sustainable core competencies (Prahalad & Hamel, 1990). However, as the whole management is directly controlled by human resource of the firm's than its obvious that the performance of the organization is indirectly controlled by the human resource of the organization (Rumelt, 1984).

## 7. CONCLUSION

We have tried empirically justified our research question. Firstly, we have computed corporate entrepreneurship components and then mediation process was taken from Hayes (2013). The results showed full mediation of human capital and innovative performance between CE and OP. Textile organizations should improve the skills, knowledge, and experience. Additionally, textile organizations should focus innovative performance of organization and mainly concerned variables those are directly or indirectly effects. However, there is need to improve activities which are involve to increase the ability of company to innovate, take risks and grab opportunities of market. Furthermore, to see innovative performance firms could develop new products or services, administrative systems and techniques, and development of new models for business and business ventures (Kuratko et al., 1990). To generate high innovative performance of organization should be more focused towards some specific variables individually as well as collectively. However, we deal in this specific study as corporate entrepreneurship by computing five facets respectively. In Resultant, we can say these are important aspects of corporate entrepreneurship for innovative performance enhancement which ultimately helps to create higher organizational performance (Hornsby et al., 2002).

## 8. RESEARCH IMPLICATIONS AND LIMITATIONS

This study contains specific limitations, these limitations could be overcome with availability of resources such as the study can be carried out as a whole across Pakistan. Organizational performance varies from sector to sector in organizations (Damanpour, 1996; Vega-Jurado et al., 2008). Furthermore, Evangelista et al. (1997) affirmed that organizational innovation not just vary from sector to sector as well as with firm's size which is limitation of this study. Consequently, it is a guidance for future researchers to conduct Comparative research on the basis of size and sector.

### 8.1 Academic contribution

This research could improve academics' understanding of the importance of CE for gaining higher performance via mediating effect of HC and innovative performance with minimum cost in Pakistan textile sector.

### 8.2 Practical Contribution

Organizations could be determined clear relationships as well as inevitable combination of resources. Without any forecasting budget they can freely invest in this combination heading towards the better performance of textile organizations in Pakistan.

### 8.3 Recommendations

- It is necessary to keep a safe and long life of firms to manage intangible resources in the best way to achieve competitiveness of organization or performance. As we know, resources are limited.



- However, to highlight these issue, firms do not clearly recognize their intangible assets that is why they do not able to manage these issues correctly (Andriessen, 2004). So, it is required to understand their importance.
- Managers should know the relative importance of each resource for the purpose of best input and output.
- This specific study provides the insight of indirect effect of intangible knowledge as a resource “human capital and innovative performance” with linkage of direct target resource (corporate entrepreneurship).

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