







“Impact of entrepreneurial leadership on forming agile work teams: Mediating role of strategic engagement”

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IMPACT OF ENTREPRENEURIAL LEADERSHIP ON FORMING AGILE WORK TEAMS: MEDIATING ROLE OF STRATEGIC ENGAGEMENT

Abstract

This study aims to investigate the mediating role of strategic engagement in elucidating the relationship between entrepreneurial leadership and the establishment of agile work teams in the Iraqi investment sector. To do so, a custom-designed questionnaire was administered using a five-point Likert scale to collect responses from employees at local companies operating in the investment sector within the Iraqi Middle Euphrates region, resulting in 329 middle managers. Data analysis was conducted utilizing SPSS version 25 and AMOS. The study reveals a direct and substantial impact of entrepreneurial leadership on both strategic engagement and agile work teams, with coefficients of 0.66 and 0.44, respectively. Additionally, a direct and significant influence of strategic engagement on forming agile work teams is observed, with a coefficient of 0.47. Furthermore, the paper highlights an indirect effect of entrepreneurial leadership on establishing agile work teams within these companies, mediated through strategic engagement, with a coefficient of 0.096. Therefore, the adoption of the entrepreneurial leadership paradigm by Iraqi investment companies has the potential to enhance the creation of agile work teams by promoting strategic engagement among the managerial ranks of these organizations. These findings contribute to the relevant literature and offer actionable insights that can facilitate improving leadership practices, strategic engagement initiatives, responsiveness to change, competitive advantage, and knowledge sharing.

Keywords

entrepreneurial leadership, strategic engagement, agile organizations, Iraq

JEL Classification

M13, M54, O31

INTRODUCTION

Iraqi companies in the public and private sectors confront multifaceted challenges that impede their ability to capitalize on real opportunities. Rampant administrative and financial corruption in Iraq, including bribery and extortion, misuse of public funds, oil smuggling, political patronage, judicial bureaucracy, kickbacks in the oil sector, and misuse of humanitarian aid, have severely hindered the initiation of both local and foreign investment projects. The only way forward is to propose robust solutions to combat these issues effectively (Amanah et al., 2022b; Fadhil et al., 2021).

Entrepreneurial leadership emphasizes creating new ideas and working artistically on the company's processes to deal with a confusing work environment, make logical plans, and get new results (Pauceanu et al., 2021; Rehman et al., 2021). Strategic engagement denotes the dynamic approach to the multiple tasks that make up a business (Wilson, 2012) and leverages thinking about role development and managing competing core tasks to integrate fragmented roles (MacLeod et al., 2012). The agile workforce affects innovative performance. The eco-

nomic-organizational perspective emphasizes the role of behavioral motives and human attitudes in the innovation process. High skill levels stimulate creativity and innovation, and companies with the highest agility workforce are likely to innovate (Franco & Landini, 2022). This study argues that exploring the triangle of entrepreneurial leadership, strategic engagement, and agile work teams within Iraqi companies can boost understanding and eliminate the obstacles to the Iraqi economy. By showing how entrepreneurial leadership, strategic engagement, and agile work teams interact and can be leveraged within Iraqi companies, prosperous and sustainable economic solutions could be inferred.

1. LITERATURE REVIEW

1.1. Entrepreneurial leadership and agile work teams

Entrepreneurial leadership supports innovation, seizes opportunities, and inspires teams. Entrepreneurial leadership leaders excel at problem-solving, risk-taking, and effective communication. They drive growth, creativity, and adaptability, ensuring organizations remain competitive. They engage employees, promote learning, and contribute to organizational success, even in challenging environments. Entrepreneurial leadership represents forward-thinking leadership that fuels innovation and sustainability (Pauceanu et al., 2021). The vigilance of the entrepreneurial leader also endows him with the extraordinary ability to recognize the profit potential more than others, as he has developed a strong perception of seizing opportunities, monitoring information more carefully, processing it, and judging it based on this perception (Amanah et al., 2022a; Bannay et al., 2020). In today's uncertain business landscape, organizations' survival depends on their managers' entrepreneurial and leadership skills. These leaders must possess the creativity, skills, and relevant experience to shape the future and inspire their teams. Entrepreneurial leaders need to possess relevant experience and skills, especially personal skills and creativity, to direct and invest in opportunities that may help them shape the future image and inspire other employees to pursue their vision (Guberina et al., 2023).

Agility has emerged as a vital response to environmental challenges, competition, and evolving customer demands (Hussein et al., 2023). Agile organizations excel in adapting to environmental shifts while safeguarding their systems, IT, personnel, processes, and resources (Sumukadas & Sawhney, 2004). An agile workforce continuously

evolves, embracing organizational learning to foster a dynamic relationship among work, the workplace, and tools (Petermann & Zacher, 2020). The employee's ability to recognize and navigate dynamic changes for success in a competitive landscape is acknowledged as the cornerstone of organizational agility. Without this adaptability, attempts to introduce novel work approaches would falter (Storme et al., 2020). During crises, an agile workforce prioritizes proactive action over reactive responses. It strategically plans ahead to mitigate the need for last-minute preparations, considering cost, time, and quality (Gedam et al., 2023). These teams liberate themselves from traditional problem-solving approaches and proactively involve employees in decision-making. This proactive engagement sparks the creation of innovative products and services, enriching value for the organization and its committed workforce.

According to Gupta et al. (2004), entrepreneurial leadership involves the development of visionary scenarios, which are then utilized to gather and mobilize a group of participants dedicated to the vision. This group is then motivated to explore and capitalize on opportunities for strategic value creation (Gupta et al., 2004). Furthermore, this team-oriented leadership focuses on effective communication and cooperation, problem resolution, and interpersonal and group interactions. Entrepreneurial leadership acts as a "guiding light" for entrepreneurs, offering support and vision to team members. This successful leadership may significantly encourage worker creativity (Nguyen et al., 2021). The culture of startup organizations has completely changed in the past ten years, as the majority of organizations or entrepreneurs push themselves and their teams hard around the clock, aiming to outpace their competitive brands, capture the existing market, and maximize revenue and profits (Pauceanu et al., 2021).

1.2. Entrepreneurial leadership and strategic engagement

Strategic engagement is a proactive process of top leaders involving internal and external stakeholders. The cutting-edge strategic engagement cultivates a dynamic, fulfilling, and driven workplace. Strategic engagement integrates employees into vital management processes, concentrating on their roles and responsibilities within the organization, motivating them to go the extra mile and continually elevate their performance. Engaged employees forge emotional and social bonds with the organization's mission and vision, fueling an innate desire for success and excellence (Odhiambo, 2020). This practice involves engaging employees in crucial management activities, focusing on their job roles and organizational tasks. It inspires individuals to go the extra mile and excel in their work and impacts employees intellectually, emotionally, and spiritually, igniting their innate drive for success and excellence. Engaged employees further a strong bond with the organization, supporting its mission, vision, and purpose (John, 2023).

Ginsburg et al. (2020) indicated that strategic engagement is a critical factor in achieving success for contemporary organizations through clarity of vision and the promotion of seizing opportunities toward strategically designing HR functions, planning, and delivering employee training programs that can enhance their skills, knowledge, and experience in the long term.

Institutional managers assume a crucial role in shepherding strategic engagement in a manner that harmonizes with the organization's overarching objectives, which invariably hinges on active employee engagement, individually or collectively. This active involvement places significant reliance on employees to conceive viable alternatives, accumulate pertinent information, and facilitate seamless adaptability toward attaining the predefined organizational objectives.

Leadership styles significantly impact employee engagement through internal strategic communication (Jooss et al., 2021). Flexibility can influence and be positively associated with work engagement. Breevaart et al. (2016) studied leadership behaviors and self-strategies for employees that

support levels of engagement within an organizational performance. When leaders exhibited more self-leadership behaviors, employees were more engaged in their work and received higher performance ratings from their leaders (Breevaart et al., 2016).

Prochazka et al. (2017) investigated the role of self-efficacy as a mediator between leadership style and employee engagement. The results indicated that the leadership style affects the employees' commitment to a strong relationship. Engagement is an explicit component of leadership that allows a better understanding of how leaders influence the behavior and attitudes of their followers in developing stronger relationships with the employees. A well-engaged leader can notice those issues that are not being said clearly and motivate people to act (Prochazka et al., 2017).

In addition, Luu et al. (2019) discovered that leadership outcomes, such as commitment and engagement, can impact employee engagement in a crisis context via the internal communication required to empower employees (Luu et al., 2019). The entrepreneurial behaviors enhance workers' strategic engagement and facilitate access to opportunities and the spread of knowledge and other local resources needed by new projects. The leader's job is to improve employee performance and happiness by making the workplace healthy and safe. Thus, a leader's concern for meeting employee needs is central to the employee's engagement. In short, engagement in work is positively associated with leadership (Bannay et al., 2020). Jarrar (2022) studied the relationship between leadership and the involvement of employees as human capital that enhances the organization's performance.

1.3. Strategic engagement and agile work teams

The strategic engagement was ushered toward politics (Qazi & Bashir, 2022), theology (DiLanzo, 2019), academia (MacLeod et al., 2012), and business studies. Allowing managers and employees to collaboratively shape their future within an organization and align their skills with its goals not only motivates them but also enhances their ability to contribute meaningfully and add substantial value to the company. It is a win-win scenario that

benefits both individuals and the organization. This collaborative and goal-aligned approach motivates individuals and enhances their capacity to contribute to skill optimization, mutual accountability, improved communication, job satisfaction, and value co-creation (Wilson, 2012). Azmy (2021) argues that implementing employee engagement might provide advantageous outcomes, such as increased job satisfaction, as these factors benefit workforce agility. Implementing employee engagement heightened job satisfaction by mutually benefiting workforce agility.

Furthermore, it enhanced the organization's productive workforce. Employees tend to improve their abilities, knowledge, and skills and learn from their colleagues. In recurring instances, the existing HR strategy will ensure the establishment of an adaptable workforce. This can represent employees who are committed to their jobs and enthusiastic about enhancing employee engagement (Azmy, 2021).

Furthermore, Sanhokwe and Chinyamurindi (2023) argued that work engagement promotes flexibility at work to assess potential complementarities between personal and social resources created in the work. Work engagement is thus the affirmation from the employee as an individual and as a talent built into the organization. It is a resource that energizes and mobilizes the goal-oriented efforts of employees, whatever the working conditions are.

1.4. Entrepreneurial leadership, strategic engagement, and agile work teams

The efficient application of entrepreneurial leadership positively affected knowledge management processes, leading to improved organizational performance and project success by shedding light on entrepreneurial leaders' skills, competencies, and behaviors (Bagheri & Harrison, 2020). Entrepreneurial leadership fosters a culture of innovation and risk-taking, which can lead to new ideas and knowledge within an organization. This contributes to more efficient knowledge-creation processes (Chen, 2007). Moreover, entrepreneurial leadership promotes teamwork and collaboration, ensuring project teams work together more effi-

ciently. This collaboration is crucial for successful project delivery (Latif et al., 2020).

The employee engagement strategy in the organization should include various criteria. In order to enhance employee satisfaction and motivate them to work, leadership needs to consider different focus areas that lead to a better knowledge of organizational issues and provide solutions strategies through participation as a strategic tool; that is, to enhance the performance of the organization through the performance of work teams (Jarrar, 2022; Wilson, 2012).

All leaders and managers need to know that they have a choice in whether or not their workplace is engaged (Bannay et al., 2020). The direct manager of the workforce decides to be involved, not the employees themselves. In order to accomplish achievements both inside and outside their immediate work team, managers set standards, provide procedures, and give employees a chance to participate.

According to the logic of team production, they placed it closer under the microscope of the theory of team production at work (Alabadi & Al-Janiri, 2020). Entrepreneurial leadership was chosen to measure its influence in forming agile work teams through the mediating role of strategic engagement based on the proposal of Azmy (2021), who indicated the possibility of following up on this relationship in a comprehensive manner when using other variables, such as choosing other types of leadership that can be applied in the company, or forming employees as players in the team.

The roles of entrepreneurial leadership, strategic engagement, and agile work teams have gained prominence. A paucity of research explores how entrepreneurial leadership influences the formation and functioning of agile work teams. Addressing these gaps can contribute to a deeper understanding of how organizations can navigate complexity, promote innovation, and enhance performance in today's competitive and dynamic business environment. This study aims to investigate the impact of entrepreneurial leadership on the formation of agile work teams and explore whether strategic engagement is a mediating factor in the relationship between entrepreneurial leadership and the establishment of agile work teams.

Accordingly, the study hypotheses are formulated as follows:

- H1: *Entrepreneurial leadership has a direct and significant impact on agile work teams.*
- H2: *Entrepreneurial leadership has a direct and significant impact on strategic engagement.*
- H3: *Strategic engagement has a direct and significant impact on agile work teams.*
- H4: *There is an indirect and significant impact of entrepreneurial leadership on agile work teams through the mediating role of strategic engagement.*

2. METHOD

Twenty-three industrial and service investment companies, with branches spread across the Middle Euphrates region, were considered targets for the enrolled participants. The region included four Iraqi governorates (i.e., Babylon, Kerbala, Najaf, and Diwaniyah). The sample size was calculated according to the number of predictive variables for 365 respondents from the middle managers of those companies; they were chosen for being related to the study’s specialization within the HRM scope. A questionnaire was distributed both on paper and electronically via the Internet using a simple random sampling method. A total of 329 complete responses were received. For an online survey to be validated, the survey return

rate must be at least 65%, which in this study was 90%. Data analysis via SPSS was used to generate the descriptive statistics and measure the normality tests, while SEM was assessed using AMOS.

A 5-point Likert scale was used in the study questionnaire, from 1 “strongly disagree” to 5 “strongly agree.” The scale of Fontana and Musa (2017) was adopted to measure the entrepreneurial leadership variable, which consists of four dimensions: strategic dimension, communicative dimension, motivational dimension, and personal and/or organizational dimension.

The survey was composed of 24 items. The scale of Floyd and Wooldridge (1992) was adopted to measure the strategic engagement variable, which consists of four dimensions: championing alternatives, synthesizing information, facilitating adaptability, and implementing deliberate strategy. The survey was composed of 21 items.

The scale of Alavi et al. (2014) was adopted to measure the agile work team variable using a three-dimension scale: proactivity, adaptability, and resilience. The 38-item survey was based on literature mining, while the relationships of previously discussed variables are examined depending on the conceptual model, as illustrated in Figure 1.

3. RESULTS

The Confirmatory Factor Analysis (CFA) and Cronbach’s Alpha findings are shown in Table 1.

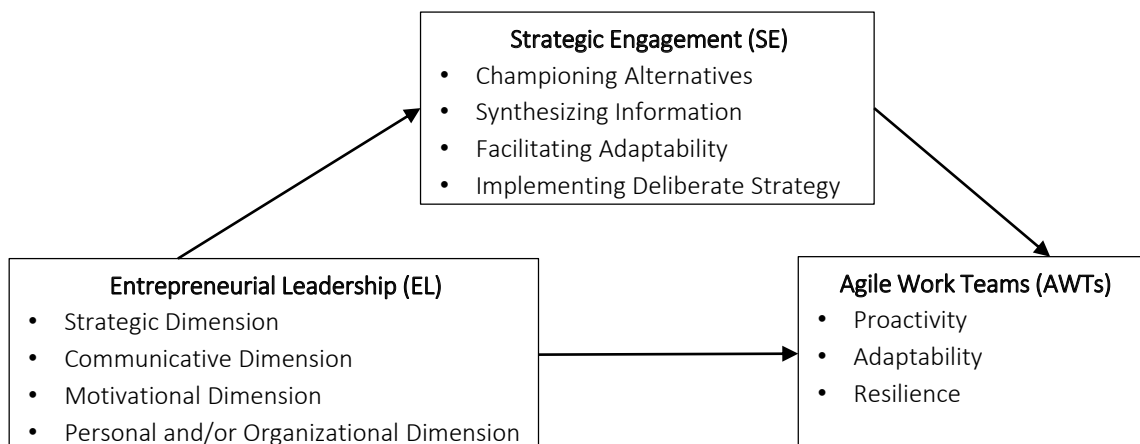


Figure 1. Study model

If the parameter estimations reach 40%, they are practicable and acceptable. Regarding standard errors, the lower they are, the more one may rely on statistical parameters, and vice versa. The statistical importance of the parameter estimates is based on the critical ratio (CR), which is the scale for the statistical importance of the parameter estimates. The importance of parameter estimations lies in surpassing the crucial ratio of 1.96 at a significance level of 5% or exceeding 2.56 at a significance level of 1% (Holtzman & Vezzu, 2011). The value above 0.40 (loading) is to be indicated as being statistically accepted. Paragraphs SD4 and SD8 from the entrepreneurial leadership variable and paragraphs AD9, AD10, RE8, and RE11 from the agile work team variable were omitted because they did not achieve the required percentage. Moreover, indicators and base quality of conformity structural equation modeling have exceeded the acceptable statistical limits. Table 1 also shows the reliability analysis using Cronbach's alpha. The values are larger than or equal to 0.7. This suggests that the research instrument used in this study has high internal consistency (Sharma, 2016). As a result, the measuring paradigm of this study adheres to reliability and validity standards.

These results show that the study scale is characterized by reliability and stability, as well as passing the structural modeling scales successfully, which confirms the possibility of its application in the Iraqi environment and the generalization of these results to all Iraqi companies.

The findings of descriptive statistics are presented in Table 2. The mean, standard deviation, coefficient of variation, and relative importance values for entrepreneurial leadership, strategic engagement, and agile work teams are $M = 3.925$, $SD = 0.411$, $CV = 10.46$, $RI = 78.50$; $M = 3.961$, $SD = 0.393$, $CV = 9.91$, $RI = 79.22$; $M = 3.979$, $SD = 0.301$, $CV = 7.57$, $RI = 79.58$, respectively. This indicates sufficient awareness of the sample members about the variables of the study and its sub-dimensions, which enhances the testing of hypotheses and the retrieved findings.

It is evident from Table 2 that the sample members possess a good level of awareness regarding the variables of the study and their sub-dimensions. This awareness contributes significantly to supporting the analytical results.

Table 1. CFA and Cronbach's Alpha

Variables (Dimensions)	Cronach's Alpha	Loading	Quality Indicators
Entrepreneurial Leadership (EL)	0.845		
		.493	
		.490	
		.581	
Strategic Dimension (SD)		.534	
		.556	
		.591	
		.559	
		.609	
		.610	
Communicative Dimension (CD)		.509	CIMN/DF=1.577
		.434	CFI=.943
		.415	TLI=.920
		.535	IFI=.945
		.524	RMSEA=.076
Motivational Dimension (MD)		.686	
		.648	
		.452	
		.626	
Personal and/or Organizational Dimension (OPD)		.630	
		.721	
		.639	
		.546	

Table 1 (cont.). CFA and Cronbach’s Alpha

Variables (Dimensions)	Cronach’s Alpha	Loading	Quality Indicators
Strategic Engagement (SE)	0.800		
		.504	
		.628	
Championing Alternatives (CA)		.585	
		.600	
		.436	
		.691	
		.483	
Synthesizing Information (SI)		.517	
		.712	
		.728	CIMN/DF = 1.236
		.692	CFI = .924
		.688	TLI = .911
		.620	IFI = .928
Facilitating Adaptability (FA)		.824	RMSEA = .049
		.585	
		.674	
		.424	
Implementing Deliberate Strategy (IDS)		.764	
		.525	
		.553	
Agile Work Teams (AWTs)	0.787		
		.561	
		.561	
		.682	
		.728	
Proactivity (PR)		.677	
		.600	
		.621	
		.742	
		.601	
		.735	
		.471	
		.479	
		.538	
		.672	
		.798	
		.769	CIMN/DF = 2.178
		.787	CFI = .929
Adaptability (AD)		.734	TLI = .909
		.747	IFI = .931
		.803	RMSEA = .074
		.818	
		.773	
		.756	
		.651	
		.485	
		.633	
		.972	
		.933	
Resilience (RE)		.695	
		.453	
		.547	
		.509	
		.489	
		.421	

Table 2. Descriptive analysis results

Variables	M	SD	CV	RI
EL	3.925	0.411	10.46	78.50
SE	3.961	0.393	9.91	79.22
AWTs	3.979	0.301	7.57	79.58

Note: EL = entrepreneurial leadership; SE = strategic engagement; AWTs = agile work teams.

Table 3 displays the direct effects, critical ratios, and p-values. The structural modeling equation was employed to illustrate the direct effect. As illustrated in Figure 2, entrepreneurial leadership has a positive and statistically significant effect on agile work teams ($\beta = 0.66, p < 0.001$), thus supporting H1. This suggests that, within the industrial and service enterprises of the research sample, the entrepreneurial leadership variable influenced agile work teams by 66%. This figure is noteworthy, particularly since the critical ratio reached 15.944, signifying its significance, as indicated in Table 3. Furthermore, Figure 2 demonstrates that the coefficient of determination R^2 achieved a value of 0.44, signifying that the entrepreneurial leadership variable accounts for 44% of the variations in agile work teams, with the remaining 56% being attributed to other factors not considered in the conceptual model.

Figure 3 reveals the presence of a significant positive effect of entrepreneurial leadership on strategic engagement ($\beta = 0.44, p < 0.001$), thus supporting H2. This implies that entrepreneurial leadership impacts strategic engagement by 44% within industrial and service companies. This is a notable finding, supported by the critical ratio value 8.809, as shown in Table 3. The coefficient of determination R^2 was 0.19, as indicated in Figure 3.

Likewise, H3, as depicted in Figure 4, also demonstrates a significant positive effect of strategic engagement on agile work teams ($\beta = 0.47, p < 0.001$), supporting H3. This means that the strategic engagement variable affects agile work teams by 47% within industrial and service companies. This finding is of considerable significance, as indicated by the critical ratio value of 9.550 in Table 3.

Table 3. Pathways and parameters for testing H1-H3

Paths			Standard Regression Weights	Estimate	Standard Error	Critical Ratio	p-value
EL	→	AWTs	.661	.485	.030	15.944	0.000
EL	→	Communicative Dimension	.809	1.059	.042	24.943	0.000
EL	→	Strategic Dimension	.789	.952	.041	23.244	0.000
EL	→	Motivational Dimension	.721	.951	.050	18.866	0.000
EL	→	Personal and/ or Organizational Dimension	.741	1.037	.052	19.996	0.000
AWTs	→	Proactivity	.622	.865	.060	14.385	0.000
AWTs	→	Adaptability	.725	.804	.042	19.060	0.000
AWTs	→	Resilience	.785	1.331	.058	22.970	0.000
EL	→	SE	.437	.418	.047	8.809	0.000
EL	→	Communicative Dimension	.809	1.059	.042	24.943	0.000
EL	→	Strategic Dimension	.789	.952	.041	23.244	0.000
EL	→	Motivational Dimension	.721	.951	.050	18.866	0.000
EL	→	Personal and/ or Organizational Dimension	.741	1.037	.052	19.996	0.000
SE	→	AWTs	.466	.358	.037	9.550	0.000
SE	→	Facilitating Adaptability	.799	1.026	.043	24.073	0.000
SE	→	Championing Alternatives	.745	.963	.048	20.225	0.000
SE	→	Synthesizing Information	.760	1.055	.050	21.192	0.000
SE	→	Implementing Deliberate Strategy	.724	.955	.050	19.001	0.000
AWTs	→	Proactivity	.622	.865	.060	14.385	0.000
AWTs	→	Adaptability	.725	.804	.042	19.060	0.000
AWTs	→	Resilience	.785	1.331	.058	22.970	0.000

Note: EL = entrepreneurial leadership; SE = strategic engagement; AWTs = agile work teams.

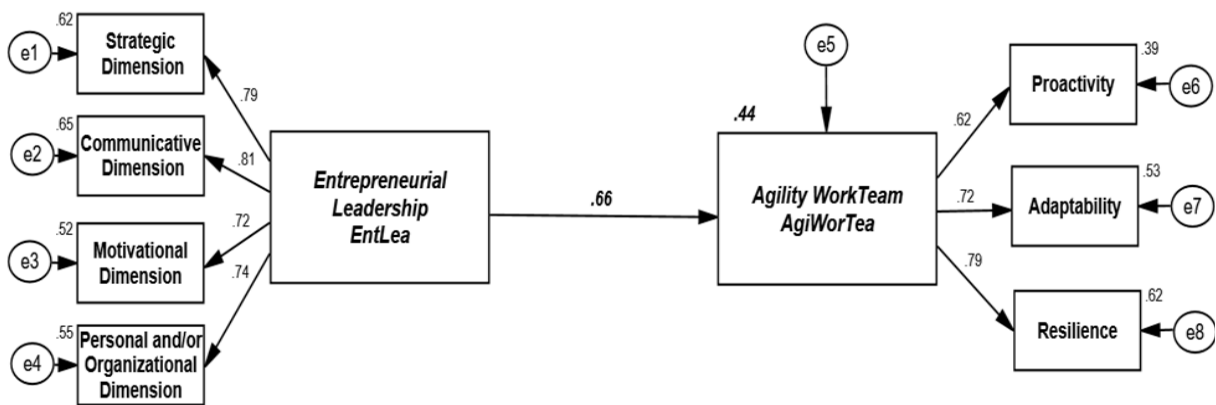


Figure 2. Effect of entrepreneurial leadership on agile work teams

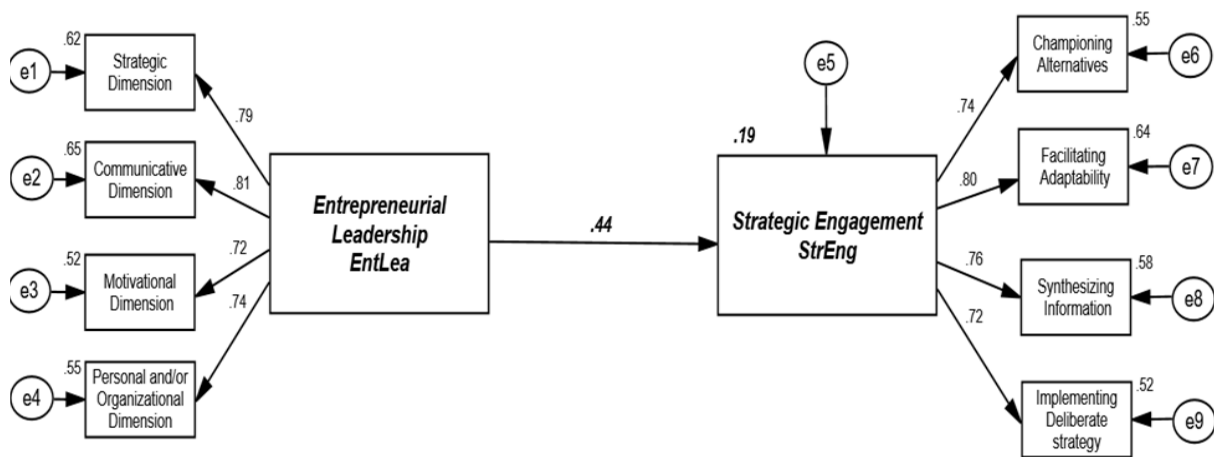


Figure 3. Effect of entrepreneurial leadership on strategic engagement

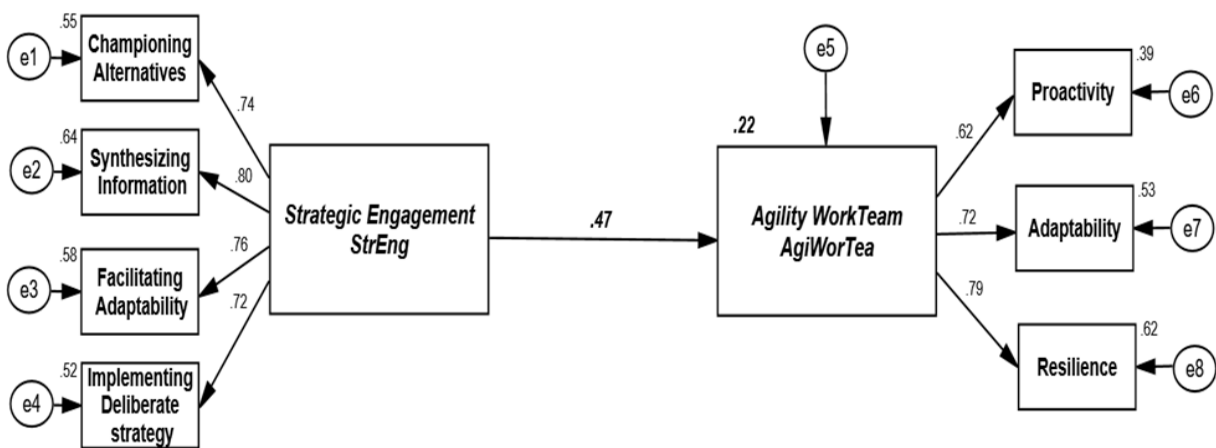


Figure 4. Effect of strategic engagement on agile work teams

The coefficient of determination R^2 reached 0.22, as shown in Figure 4.

Next, the study tests the effect of entrepreneurial leadership on agile work teams through the

mediating role of strategic engagement (H4). As Figure 5 shows, there is a direct positive effect of entrepreneurial leadership on strategic engagement, as the standard regression coefficient was 0.44. In the analysis of the agile work teams, the

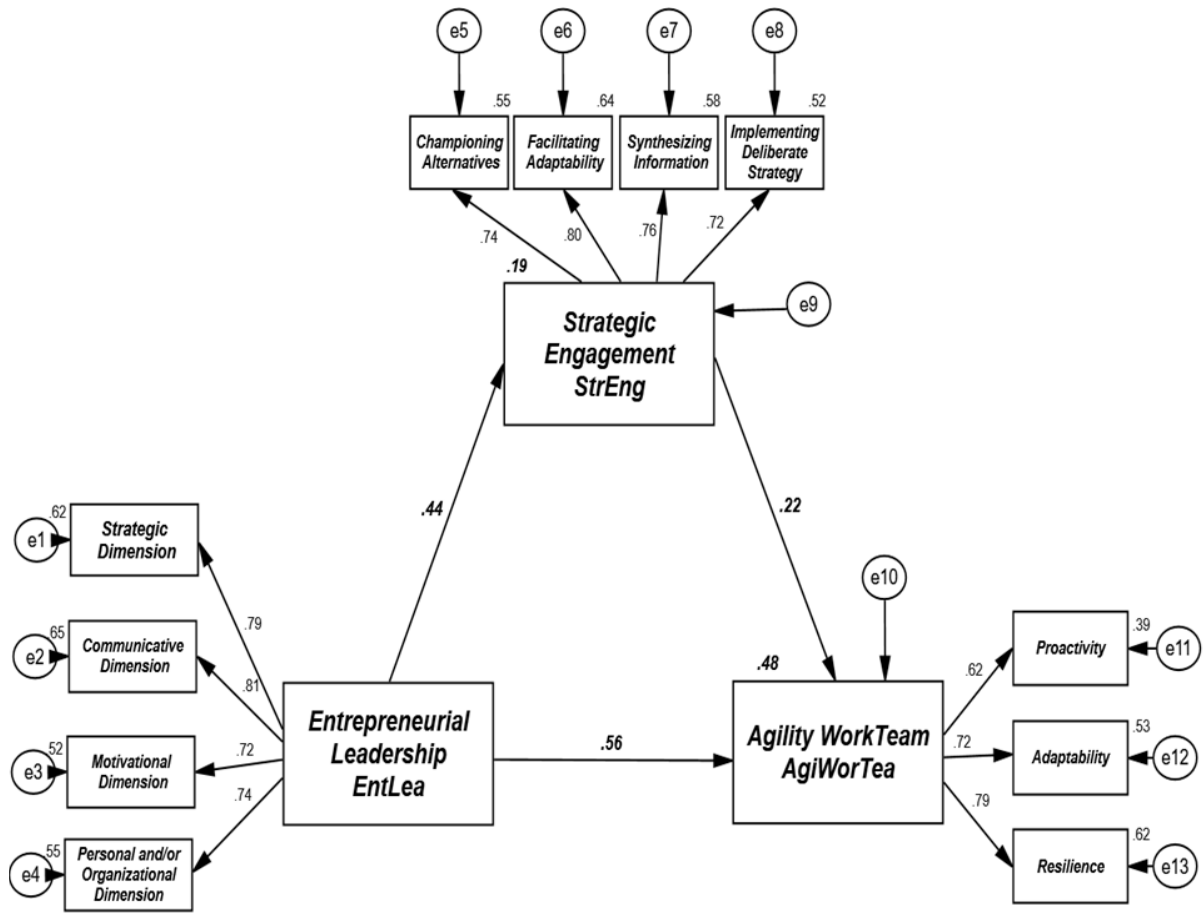


Figure 5. Structural model for H4

Table 4. Paths and parameters for testing H4

Paths	Standard Regression Weights	Estimate	Standard Error	Critical Ratio	P. Value
EL → SE	.437	.418	.047	8.809	0.000
SE → AWTs	.219	.168	.034	4.934	0.000
EL → AWTs	.565	.414	.033	12.702	0.000

Note: EL = entrepreneurial leadership; SE = strategic engagement; AWTs = agile work teams.

direct effect of entrepreneurial leadership was found to have a standard regression coefficient of 0.56. Furthermore, these effects were statistically significant, as shown by the critical ratio values in Table 4.

Accordingly, the value of the indirect effect through the path mediated by the mediating variable of strategic engagement between the independent variable of entrepreneurial leadership and the dependent variable of agile work teams amounted to 0.096, shown in Table 5. Therefore, the total direct and indirect effect reached 0.661, supporting H4. Figure 5 and Table 5 show that the value of the interpretation coefficient R^2 for agile work teams

reached 0.48, which means that the changes that enhance agile work teams are due to the change in the value of entrepreneurial leadership and strategic engagement by 48%. The remaining 52% can be attributed to the impact of unaccounted variables within the study model.

The Sobel test was utilized to examine the statistical significance of the indirect influence of the independent variable of entrepreneurial leadership on the dependent variable of agile work teams through the mediating variable of strategic engagement. The Sobel test allows for determining the statistical significance of the indirect effect introduced by the mediating variable. The Sobel test

Table 5. Direct and indirect effect paths for H4

Paths	Direct Effect	Indirect Effect	Total Effect	R ²	Result
EL → AWTs		–			
EL → SE → AWTs	.565	0.096	.661	0.48	accepted

Note: EL = entrepreneurial leadership; SE = strategic engagement; AWTs = agile work teams.

Table 6. Sobel test results

Paths	input	Sobel Test	P-value
EL → AWTs	a = 0.418 , b = 0.168	4.319	0.000
EL → SE → AWTs	Sa = 0.047 , Sb = 0.034		

Note: EL = entrepreneurial leadership; SE = strategic engagement; AWTs = agile work teams.

may be determined by utilizing a computer program contingent upon four fundamental criteria, as illustrated in Table 6.

Table 6 clearly shows that the p-value was significant. This validates the importance of the findings from examining the indirect influence of entrepreneurial leadership in agile work teams via the mediating variable of strategic engagement at the level of select industrial and service enterprises.

The study hypotheses have been proven and accepted at the level of the Iraqi investment companies. It has shown the size of the influence that the independent variable of entrepreneurial leadership creates in both the mediating and dependent variables of strategic engagement and agile work teams, as well as the size of the indirect effect of the mediating variable of strategic engagement in strengthening the relationship between the two main variables mentioned above according to the structural modeling tests, especially at the level of the investment and industrial sectors.

4. DISCUSSION

The current study examined the relationship between entrepreneurial leadership, strategic engagement, and agile work teams in a group of investment companies in the Middle Euphrates region in Iraq. There is a positive effect of entrepreneurial leadership and strategic engagement on the formation of agile work teams and a positive effect of entrepreneurial leadership on agile work teams. This study also explored the mediating role of strategic engagement in the relationship between entrepreneurial leadership and agile work teams.

The study analyzed 329 responses. The results showed that entrepreneurial leadership positively affects agile work teams, aligning with previously reported findings (Freeman & Siegfried, 2015) that entrepreneurial leadership is a “guiding light” for startups, providing support and vision to team members. This corresponds with Suhendi and Musa (2022), who concluded that the entrepreneurial leader must have the ability to motivate individuals to identify opportunities and act accordingly, to be creative and agile in adapting to change. These results are consistent with Ireland et al. (2003) and Williamson (2022), who emphasized the importance of entrepreneurial behaviors in enhancing the strategic engagement of workers when adopting an entrepreneurial strategy on the organizational level. Bannay et al. (2020) confirmed that engagement in work is positively associated with leadership.

Moreover, Bannay et al. (2020) demonstrated strategic engagement’s effect on agile work teams. These results are also consistent with previous studies, which showed a strong correlation between strategic engagement and the agility of work teams. For example, Azmy (2021) indicated an excellent effect of applying employee engagement, which can increase job satisfaction, as both positively affect the agility of the workforce. In addition, the positive impact of employee engagement can increase the agility of the workforce, which is the main driver of the overall quality of service. Organizations must strategically manage engagement activities to enhance the benefits they derive from their stakeholder network (Odhiambo, 2020). Finally, employee engagement practices can directly enhance workforce agility (Sumukadas & Sawhney, 2004).

More significantly, the findings supported the mediating function of strategic engagement in the interaction between entrepreneurial leadership and agile work teams. This conclusion also aligns with Amanah et al. (2022b), who emphasized the need for organizations to look into strategic mediation components that may be used to forecast future entrepreneurial possibilities and dangers. Companies should investigate the mediating variables that may aid in responding swiftly to changes in the internal and external business environment and work proactively to capitalize on possibilities that arise due to change.

Most companies were private and mixed companies and were not governmental. Thus, their leaders and managers were assigned according to strict standards, not subject to favoritism, nepotism, family relations, or others, as is common in the Iraqi environment. The descriptive results indicated that the leaders and managers have sufficient awareness of the study variables and their sub-dimensions, which gives a strategic vision for the future of companies and how to improve their entrepreneurial performance by encouraging engagement among managers to be an agile organization considering the competitive developments in the contemporary business environment.

CONCLUSION

This study explored how the strategic engagement of middle managers mediates the relationship between entrepreneurial leadership and the formation of agile work teams in Iraqi investment companies. Transparent and effective communication with middle managers ensures a shared understanding of strategic objectives and initiatives. Investing in training and development programs enhances middle managers' strategic thinking and problem-solving skills, which can further promote strategic engagement. Implementing incentive structures that reward adaptability and the ability to innovate within work teams can also encourage strategic engagement. Moreover, monitoring the progress of strategic plans and providing constructive feedback is crucial.

Incorporating these insights can enhance their dynamic capabilities and agility needed to support agile work teams. This includes tailored product recommendations, customized marketing messages, individualized pricing strategies based on data-driven insights, and advanced technologies within the complex and data-rich business environment.

AUTHOR CONTRIBUTIONS

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