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TURNING IDEAS INTO RESULTS: HOW ENTREPRENEURIAL ORIENTATION DRIVES PROJECT SUCCESS

Nasir Bashir [1], Dr. Muhammad Aamir Saeed [2], Dr. Humaira Tabassum [3]

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Affiliations:

[1] PhD Scholar, Department of Management Sciences, COMSATS University, Islamabad, Wah Campus, Pakistan.
Email: nasirbashirch@gmail.com

[2] Assistant Professor, Department of Management Sciences, COMSATS University Islamabad, Wah Campus, Pakistan
Email: aamir.ramay@gmail.com
aamirsaeed@ciitwah.edu.pk

[3] Senior Lecturer, Sir Syed College of Education and Professional Training, Wah Cantt, Pakistan
Email: humaira.tabbasumaamir@gmail.com

Corresponding Author's Email:

[2] aamir.ramay@gmail.com
aamirsaeed@ciitwah.edu.pk

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Abstract

The aim of this research is to explore the relation among entrepreneurial orientation (EO) and project success (PS), using absorptive capability (ACAP) as a mediating and adaptive organizational culture (AOC) as moderator in project-based firms. Data were gathered from 406 employees of manufacturing companies in Pakistan that were engaged in projects management. For data analysis partial least squares structural equation modelling (PLS-SEM) was used. The results of the study reveal that there is a positive and statistically significant influence of EO on the ACAP and absorptive capacity, in turn, has a positive and statistically significant effect on PS. In addition, it was found that the absorptive capacity partially mediated the relationship between entrepreneurial orientation and project success. However, adaptive organizational culture did not significantly moderate between EO and ACAP. The findings extend entrepreneurial orientation literature into project management contexts and highlight the critical role of knowledge absorption processes in translating entrepreneurial behaviours into successful project outcomes. Practical implications suggest that project managers should foster entrepreneurial thinking while developing systematic knowledge management mechanisms, though cultural adaptation may operate independently in contexts characterized by autocratic leadership or environmental constraints.

Keywords: Entrepreneurial Orientation, Absorptive Capability, Adaptive Organizational Culture, Project Success.

1. Introduction

In today's project-based firms, project performance has evolved from the traditional "iron triangle" of time, cost and scope to a more complex one that encompasses knowledge integration, innovation capability, agility, responsiveness to stakeholders, and strategic value (Ramadhan, et al., 2024; Bany *et al.*, 2025). This is critical because projects are increasingly being undertaken in settings that are technologically volatile, undergoing digital transformation, uncertain and highly dependent on multiple stakeholder relationships (Zhai, et al., 2024; Liu and Wang, 2025). Under these circumstances, organizations need not only formal project management practices but also entrepreneurial and knowledge-based processes that help them to spot opportunities, acquire knowledge, and successfully integrate that knowledge into project outcomes (Mamoghli, 2025; Tsakalerou *et al.*, 2025). Recent evidence from the fields of project, innovation, and strategic management suggests that entrepreneurial orientation, absorptive capacity, and culture play an

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increasingly pivotal role in explaining why some organizations excel in project outcomes, while others are unable to implement their strategies effectively (Bany *et al.*, 2025; Liu and Wang, 2025).

Entrepreneurial orientation is an important strategic stance that makes firms more innovative, proactive, risk-taking and opportunity-oriented in a dynamic and uncertain environment (Alshahrani and Salam, 2024; Jallad and Karadas, 2024; Labella-Fernández, et al., 2026). In project management, entrepreneurial orientation is important as projects typically involve new decision-making, resource recombination, quick identification of opportunities, and a willingness to try new technical, managerial, and market options (Liu & Wang, 2025; Zhai et al., 2024). Also, entrepreneurial orientation is a source of project portfolio success because it enhances the ideation, opportunity development, and portfolio renewal processes (Zhai, et al., 2024; Liu and Wang, 2025). Likewise, research in SMEs and foreign firms demonstrates that entrepreneurial orientation enhances firm performance when the firm has the knowledge-conversion capability to absorb and exploit knowledge from the external environment (Alshahrani and Salam, 2024; Perera, et al., 2026). Thus, entrepreneurial orientation can be considered a critical factor for project success, but it is unlikely to have a direct effect without the internal knowledge-processing capability to translate entrepreneurial intentions into project success capability (Jang & Lee, 2025; Pinho et al., 2024).

Absorptive capacity offers a knowledge-conversion route to translate and transform entrepreneurial orientation into improved project success (Ngereja, et al., 2024; Ramadhan, et al., 2024; Jang and Lee, 2025). Absorptive capacity is stated as the capability of firm to classify, integrate, transmute and exploit knowledge in order to improve innovation and performance, and is highly relevant to project management because the project environment is filled with uncertainty, technological change and stakeholder knowledge that is incorporated into project execution (Saeed *et al.*, 2020; Arunima and Thekkat, 2025; Cristache, et al., 2025). Recent studies in project management demonstrate that absorptive capacity supports organizations to cope with uncertainty in digitalization projects and enhance project success through better knowledge interpretation, knowledge sharing, and decision making (Ramadhan, et al., 2024). Similarly, knowledge management and innovation studies show that creation, integration, implementation and sharing of knowledge enhance innovation performance and firm performance, implying that project success is largely dependent on knowledge conversion processes (Arunima and Thekkat, 2025; Cristache, et al., 2025). These insights suggest that absorptive capacity is the key mediating capability that explains the association among entrepreneurial orientation and project success (Alshahrani and Salam, 2024; Jang and Lee, 2025; Perera, Sinha et al., 2026).

The first theory underpinning this study is Dynamic Capabilities Theory, which provides an explanation for how firms sense and seize opportunities and reconfigure resources to react environmental change (Teece, 2007). The sensing and seizing dimensions of dynamic capabilities are consistent with entrepreneurial orientation because the latter reflects the firm's inclination to proactively search for opportunities, innovate, and take action in uncertain environments (Liu and Wang, 2025; Labella, et al., 2026; Perera, et al., 2026). Absorptive capacity relates to the reconfiguration dimension because it helps firms convert external knowledge into internal routines and capabilities, and project-level practices (Ngereja, et al., 2024; Jang and Lee, 2025). Theoretically, entrepreneurial orientation generates the strategic impetus for opportunity seeking and absorptive capacity translates this impetus into opportunities arising from external knowledge and reconfiguration of project resources to achieve success (Ramadhan, et al., 2024; Liu and Wang, 2025)

The second theory is the Knowledge-Based View, which asserts knowledge is a strategic resource and that firms' performance depends on its creation, integration, and exploitation of knowledge (Grant, 1996). This theory is important for the current model because project success is achieved when the firm integrates the specialist knowledge of employees, customers, technologies, suppliers, and other external partners (Ramadhan, et al., 2024; Arunima and Thekkat, 2025; Cristache, et al., 2025). Absorptive capacity is the operational knowledge mechanism of the Knowledge-Based View because it helps organizations to identify relevant external knowledge, integrate it into its operations, convert its into project-specific knowledge, and use it for performance and innovation (De la Gala-Velásquez *et al.*, 2025; Jang and Lee, 2025). In this sense, the Knowledge-Based View justifies the role of absorptive capacity as a mediator because it explains how

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entrepreneurial orientation needs to be transformed into knowledge routines to lead project success (Alshahrani and Salam, 2024; Pinho *et al.*, 2024).

While there has been a proliferation of studies on entrepreneurial orientation, ACAP, organizational culture, and performance in general, there is a lack of project management studies (Ngereja, et al., 2024; Ramadhan, et al., 2024; Liu and Wang, 2025). Existing studies have typically focused on entrepreneurial orientation and performance at the firm level, whereas fewer studies have explored how entrepreneurial orientation is linked with project success through knowledge-based processes (Alshahrani & Salam, 2024; Pinho et al., 2024). While absorptive capacity has been associated with firm performance, innovation and project success, there has been little research on the mediating role of absorptive capacity between entrepreneurial orientation and performance in project-based firms (Ramadhan, et al., 2024; Jang and Lee, 2025). Although organizational culture has been linked to IT project success and agile project management, few empirical studies have examined the moderating role of adaptive organizational culture in the entrepreneurial orientation-absorptive capacity link (Mohammed et al., 2025; Mamoghli, 2026). Thus, there is a need to develop an integrated model linking entrepreneurial orientation, absorptive capacity, adaptive organisational culture and project success in a unified model (Liu and Wang, 2025).

Therefore, this research hypothesized that entrepreneurial orientation positively affect absorptive capacity, and absorptive capacity has a positive influence on project success, and partly mediates the association between entrepreneurial orientation and project success, which helps to translate entrepreneurial efforts into project success (Ramadhan, et al., 2024). Moreover, adaptive organizational culture moderates the link between entrepreneurial orientation and absorptive capacity, providing the cultural environment needed for entrepreneurial behaviour to produce knowledge acquisition, assimilation, transformation and exploitation (Bany *et al.*, 2025; Cristache, et al., 2025; Mamoghli, 2025). By drawing on Dynamic Capabilities Theory and the Knowledge-Based View, this study adds to project management and strategic management literature by explaining not only if but how and why entrepreneurial orientation leads to project success and the role of adaptive organizational culture in this relationship (Grant, 1996; Liu & Wang, 2025; Teece, 2007). The model, therefore, provides a theoretically and empirically testable explanation of project success in modern organizations where taking entrepreneurial action, absorbing knowledge, and having a culture that adapts to change is essential for project success (Martos-Pedrero, et al., 2025; Tsakalerou *et al.*, 2025).

2. Literature Review:

2.1 Entrepreneurial Orientation and Absorptive Capacity

The concept of entrepreneurial orientation is generally defined as a strategic position of innovativeness, proactiveness, and risk-taking in response to market opportunities and environmental uncertainties (Alshahrani & Salam, 2024; Vincent & Zakkariya, 2021). This strategic position is likely to enhance absorptive capacity as entrepreneurship-oriented firms are more likely to engage in the search for external knowledge, identify valuable information, and transform new ideas into learning processes (Cuevas-Vargas *et al.*, 2023; Shafait, et al., 2026). Recent studies show that entrepreneurial orientation has a positive effect on absorptive capacity by motivating firms to undertake opportunity exploration, knowledge acquisition, and knowledge assimilation activities in a dynamic market environment (Jallad & Karadas, 2024; Jang & Lee, 2025). In the digital and technology era, digital entrepreneurial orientation also positively affects technology absorptive capacity, suggesting that entrepreneurial firms are more likely to recognize, acquire and apply new technology knowledge (Jang & Lee, 2025). Likewise, green entrepreneurial orientation enhances absorptive capacity by encouraging firms and individuals to seek out and apply sustainability knowledge and convert it into innovation-oriented capacity (Figiel & Badar, 2025).

Research on SMEs also reinforces this connection by demonstrating that absorptive capacity is a critical factor that explains how entrepreneurial orientation enhances innovation performance, export performance, supply chain resilience, and startup performance (Al-hakimi et al., 2021; Shafait et al., 2026; Vincent & Zakkariya, 2021). Additionally, studies from emerging markets and government-owned firms show that entrepreneurial orientation and absorptive capacity are interrelated organizational capabilities that play a vital role in enhancing performance in resource-constrained and institutionally complex environments

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(Alshahrani & Salam, 2024; Pinho et al., 2024). As a result, firms with higher entrepreneurial orientation are more likely to develop absorptive capacity by proactively searching for information, valuing external knowledge, and having mechanisms to transform external knowledge into valuable organizational capability (Cuevas-Vargas et al., 2023; Perera et al., 2026). Accordingly, the following hypothesis proposed:

H1: Entrepreneurial orientation has a positive effect on absorptive capacity.

2.2 Absorptive Capacity and Project Success

Absorptive capacity is an important project-level capability as it helps organizations to acquire, assimilate, transform, and use external knowledge to improve project planning, problem-solving, stakeholder coordination, and project implementation (Saeed *et al.*, 2017; Mata, Martins and Inácio, 2023). In project settings, where uncertainty, technological complexity, and evolving client needs are prevalent, higher absorptive capacity helps firms understand and process new information, leading to timely project decisions and operational changes (Ngereja, et al., 2024; Waheed, 2025). Previous research offers direct empirical evidence for this link, finding that absorptive capacity has a positive direct and indirect (customer knowledge management capability and strategic agility) influence on project success (Mata, et al., 2023; Ramadhan, et al., 2024). Likewise, potential and realized absorptive capacity improve project performance and project innovation, suggesting knowledge acquisition and knowledge exploitation improve efficiency-based and innovation-based project performance, respectively (Valio & Gonzalez, 2024). In projects for digitalization, absorptive capacity supports project teams in dealing with uncertainty through improving their learning, adaptation and knowledge exploitation during project execution (Ngereja, et al., 2024).

Research on public-sector projects also confirms that potential and realized absorptive capacity improve performance of projects under environmental uncertainty, especially when project implementation arrangements involve learning, given limited resources and complex institutional arrangements (Waheed, 2025). Absorptive capacity in project-based organizations emerges through exploratory, assimilative, transformative and exploitative learning activities, which enhance knowledge management and project performance (Teixeira et al., 2025). Also, absorptive capacity activation triggers in project epochs help firms and projects absorb knowledge from clients, technologies and project partners, enhancing long-term project capability (Barbosa & Carvalho, 2024). Recent research also demonstrates that inter-project and inter-organizational absorptive capacity drives performance in construction and transition to sustainable practices, while knowledge absorption capacity boosts project performance in open-innovation environments (Valio and Gonzalez, 2024; Papadonikolaki, et al., 2026). Previous project management studies also reveal that team-based absorptive capacity is critical for project management success in complex environments (Bjorvatn & Wald, 2018). As such, absorptive capacity is likely to improve project success.

H2: Absorptive capacity has a positive effect on project success.

2.3 Absorptive capacity as a mediating mechanism between Entrepreneurial Orientation and Project Success

Absorptive capacity is an appropriate mediating mechanism in this context because entrepreneurial orientation generates the strategic mindset to transform, take risks and proactively seek opportunities, while absorptive capacity explains how these entrepreneurial efforts are converted into project-relevant knowledge and implementation capacity (Khan *et al.*, 2020; Perera, et al., 2026). Entrepreneurial firms are more likely to learn from their environments, acquire useful knowledge, and engage in learning processes; but these learning activities can only enhance project success if firms are capable of acquiring, assimilating, transforming and exploiting that knowledge (Alshahrani & Salam, 2024; Shafait et al., 2026). This logic is supported by previous empirical studies that demonstrate the role of absorptive capacity in mediating the effect of entrepreneurial orientation on various aspects of performance, suggesting that entrepreneurial posture has value when it is translated into knowledge-based ability (Jallad & Karadas, 2024). In digital and technology-based firms, digital entrepreneurial orientation improves technology absorptive capacity, which leads to better innovation and performance, further confirming the mediation role of absorptive capacity (Jang & Lee, 2025).

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In this line, international SME studies reveal that entrepreneurial orientation enhances export performance through learning and absorptive capacity, indicating that absorptive capacity serves as a transformation mechanism of opportunity-seeking posture to performance (Perera, et al., 2026). Understanding the mediation logic in project contexts is important because project success requires the ability to interpret external knowledge, manage uncertainty, manage implementation challenges and manage stakeholder expectations (Ngereja, et al., 2024; Ramadhan, et al., 2024). Project success studies reveal absorptive capacity positively effects project success through customer knowledge management capability, strategic agility and uncertainty management, and that knowledge absorption leads to better project delivery and success (Mata, et al., 2023; Ramadhan, et al., 2024). Similarly, there are studies that connect entrepreneurial orientation to project portfolio success via mediation effects, suggesting entrepreneurial initiatives need internal capability processes to result in project success (Liu & Wang, 2025). Most relevant to our research, Khan et al. (2020) empirically demonstrated absorptive capacity's role in mediating the relation among entrepreneurial orientation and IT project success. Thus, absorptive capacity is likely to mediate the link between entrepreneurial orientation and project success.

H3: Absorptive capacity mediates the relationship between entrepreneurial orientation and project success.

2.4 Adaptive Organizational Culture as a moderating relationship between Entrepreneurial Orientation and Absorptive Capacity

We expect adaptive culture to moderate the link between entrepreneurial orientation and absorptive capacity because entrepreneurial orientation offers the strategic impetus for innovativeness, proactiveness and risk-taking, and adaptive culture provides the conditions that enable firms to convert this impetus to systematic knowledge search and knowledge use (Alshahrani & Salam, 2024; Jang & Lee, 2025; Rostain, 2021). Entrepreneurial firms are more inclined to search for opportunities and external knowledge, but this search is more effective when the internal employees' environment enables flexibility, learning, experimentation, collaboration and responsiveness to change (Jallad & Karadas, 2024; Luu, 2023). Existing evidence demonstrates that entrepreneurial orientation positively influences absorptive capacity by driving firms to search, acquire and use new knowledge for innovation and performance (Aloulou, 2024; Jang & Lee, 2025). But absorptive capacity is not only derived from entrepreneurial intention, but also organizational practices that foster a culture of knowledge sharing, openness, organizational learning, and interaction across functional areas (Valio and Gonzalez, 2024). Recent research shows that a learning culture is a critical antecedent of potential and realized absorptive capacity, implying that culture drives firms' knowledge acquisition and exploitation (Ismail, et al., 2026).

Likewise, adaptive culture facilitates strategic entrepreneurship by assisting firms to absorb knowledge of internationalization and share it through organizational units (Luu, 2023). In project and technology contexts, learning culture adds value to absorptive capacity for projects and innovation performance, while adaptive forms of organizational culture, such as clan, adhocracy, and market cultures, foster project agility (Mamoghli, 2025; Valio & Gonzalez, 2024). Furthermore, meta-analytic findings indicate that entrepreneurial orientation is influenced by the culture, especially when the culture exhibits adhocracy, collaboration and market responsiveness (Rostain, 2021). Furthermore, cultural balance has been found to mediate the effectiveness of absorptive capacity for both explorative and exploitative innovation, suggesting that culture can be a moderating factor for knowledge-capability interactions (Limaj & Bernroider, 2019). Thus, adaptive culture is likely to enhance the influence of entrepreneurial orientation on absorptive capacity by translating entrepreneurial intentions into pro-learning knowledge practices (Luu, 2023; Mamoghli, 2025; Ismail, et al., 2026). Thus, the literature supports the following moderating hypothesis:

H4: Adaptive organizational culture moderates the relationship between entrepreneurial orientation and absorptive capacity.

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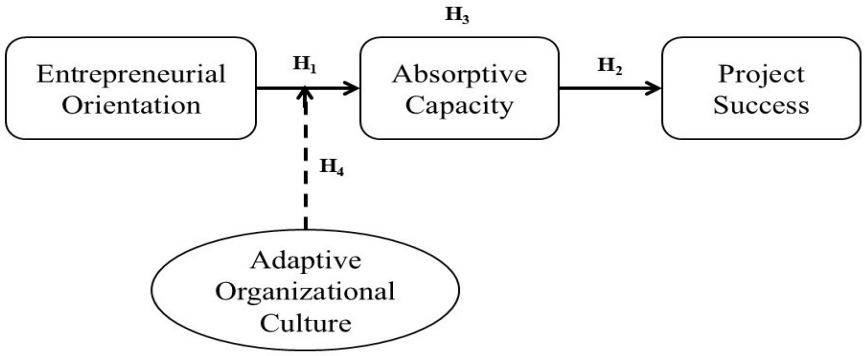
2.5 Conceptual Framework

Figure 1

Conceptual Framework



3. Methodology

Using a quantitative approach, this research investigates the relationship between entrepreneurial orientation and project success. Specifically, it explores the mediating role of absorptive capacity and adaptive organizational culture as moderator between entrepreneurial orientation and absorptive capacity. A web-based questionnaire, developed from the hypothesized framework, distributed to Pakistani manufacturing firms who were managing various projects. Using convenience sampling data was collected from senior and middle management professionals involved in project management and organizational change decisions.

The questionnaire was distributed electronically via web-link. To maximizes the reliability of replies, selection of participants done on the basis of in-depth knowledge of subject matter. To boost the response rate, a reminder email was sent one week after the initial email. The email enclosed a letter elucidating the informer design, survey and an introduction depicting terms and definitions. Representing 40% response rate 406 fully completed questionnaires were received considering a comparable sample size. The sample consists of companies from manufacturing (19%) food products (11%), automobiles (9%), electric/electronics (13%), pharmaceutical (12%), textile (12%), and other (24%). Non-response bias was tested following Wagner and Kemmerling,(2010) and found that bias was not a possible issue in the data.

3.1 Measures

The tools used to measure the constructs were adopted from existing research. Responses to each item were given on a five-point Likert scale, ranging from 1 (Strongly disagree) to 5 (Strongly agree).

Entrepreneurial Orientation was operationalized via a 9-items scale adapted from Covin & Slevin (1989) and Lumpkin et al. (2009).

Adaptive Organizational Culture, a 6-items scale developed by Costanza et al., (2015) has been used. Absorptive Capacity (ACAP) was measured with a 10-items scale (Zahra & George 2002) and Project Success with a 6-items scale (Doll & William 1985).

The reliability and validity of the measurements were evaluated using Cronbach's alpha, and composite reliability. All reliability and validity indicators are within acceptable limits (Chin, 1998; Streiner, 2003). The convergent validity of the constructs reflects the extent to which all items in a construct measure the same concept; convergent validity is confirmed when the average variance extracted (AVE) exceeds the suggested threshold of 0.5 (Fornell and Larcker, 1981; Henseler,et al., 2009) as indicated in Table 1. The discriminant validity was assessed using (Fornell & Larcker, 1981). The measurement indicators have good measurement characteristics. Harman's single factor test was used (Podsakoff & Organ, 1986) to determine the threat from common method variance. A total variance of 31% was found in the analysis that was below the recommended level, suggesting that there is not a significant amount of method bias and thus valid in the multi-source data collection approach.

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Table 1
Reliability and Validity of the Measure

	Alpha	M	SD	CR	AVE	ACAP	AOC	EO	PS
1. ACAP	0.94	3.86	0.77	0.95	0.75	**0.809**			
2. AOC	0.88	3.88	0.76	0.91	0.69	0.771	**0.793**		
3. EO	0.86	3.68	0.77	0.90	0.65	0.709	0.724	**0.737**	
4. PS	0.74	3.80	0.72	0.85	0.58	0.624	0.599	0.589	**0.793**

The assessment of discriminant validity has become a widely established criterion for studying the relationship among different constructs (Saeed et al., 2020). In this study heterotrait-monotrait ration of correlations (HTMT) criterion used to evaluate discriminant validity. Discriminant validity was assured for two reflective constructs, with all HTMT values less than 0.90 (J. Hair et al., 2017) presented in Table 2.

Table 2
Heterotrait-Monotrait Ratio (HTMT) Ratio

	ACAP	AOC	EO	PS
Absorptive Capacity (ACAP)				
Adaptive Organizational Culture (AOC)	0.844			
Entrepreneurial Orientation (EO)	0.784	0.832		
Project Success (PS)	0.765	0.760	0.754	

4. Results

Partial Least Squares Structural Equation Modelling (PLS-SEM) using SmartPLS 4 was used to test the hypotheses. This approach was selected due to its procedural robustness, particularly it appropriateness for studies with comparatively small sample sizes and its insignificant dependence on data normality assumptions (Fornell & Larcker, 1981; Hermano & Martín-cruz, 2016). PLS-SEM is good for analysing the complex model with small sample size involving multiple interaction effects better than other SEM techniques (Chin, 1998; Saeed et al., 2020). Partial Least Squares (PLS-SEM) does not rely on global goodness-of-fit indices for model validation; instead, model adequacy is evaluated through the reliability and validity of constructs, the significance of structural path coefficients, and the proportion of variance explained (R^2) in the endogenous constructs (Raymond & Bergeron, 2008; Saeed et al., 2022). The usage of the PLS-SEM is increasing (Hermano & Martín-cruz, 2016; Jiao et al., 2020; Raymond & Bergeron, 2008; Saeed et al., 2025) and well documented across several disciplines as a tool for analysis (J. F. Hair et al., 2012).

The structural model results demonstrated that Entrepreneurial Orientation has a positive and significant impact on absorptive capability ($\beta = 0.31$, $p < 0.00$) and project success ($\beta = 0.27$, $p < 0.00$). Furthermore, absorptive capability was a positive predictor of project success ($\beta = 0.38$, $p < 0.00$), indicating that organizations with higher capability to absorb knowledge are more likely to gain better project results.

Table 3
Direct relationships

	β	t statistics	p values
EO → PS	0.27	5.98	0.00
EO→ ACAP	0.31	7.64	0.00
ACAP → PS	0.39	7.13	0.00

A mediation analysis was conducted with five thousand bootstrap subsamples. The results showed that absorptive capability partially mediates the relationship between entrepreneurial orientation and project success. The indirect effect evaluated knowledge sharing as a mediating effect between stakeholder engagement and project success (H4: $\beta = 0.27$, $t = 7.94$, $p < 0.00$). It has been proven that absorptive capability has a mediating effect between entrepreneurial orientation and project success as proven in Table 4.

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Table 4
Indirect Relationships

	β	t statistics	p values
EO → ACAP → PS	0.28	3.195	0.001

A moderation analysis with 5,000 bootstrap subsamples revealed that Adaptive Organizational Culture (AOC) does not significantly moderate the relationship between Entrepreneurial Orientation and Absorptive Capacity, (H5: β = -0.040, t = 0.679, p = 0.497). The effect size is 0.002 and change in R^2= 0.002. Therefore, hypothesis 5 is rejected.

5. Discussion and Implications

This research explored the effect of EO on PS with the mediating role of ACAP and the moderating role of adaptive organizational culture in projectized organizations of Pakistan. The results provide empirical evidence that EO has a significant positive effects on project success support the prior research (Ahmed et al., 2014; Martens *et al.*, 2018; Khan *et al.*, 2020; Sajid *et al.*, 2021). This study suggests that project managers who encourage innovativeness, proactiveness, aggressiveness, and autonomy within their teams are in a better position to achieve project success. The results also confirm that EO positively contributes to the development of absorptive capacity that significantly enhances project success. These findings of this study following the resource-based view and resource-advantage theory, indicating that organizations who are capable to absorb new knowledge gain sustainable competitive advantages. The mediation analysis shown that ACAP partially mediates the relationship between EO and PS and highlighting the critical role of knowledge management processes in explaining entrepreneurial behaviours to achieve project success.

The moderator effect of adaptive organizational culture on the relationship between entrepreneurial orientation and absorptive capacity was studied in this research. The results show that adaptive organizational culture did not moderate. These results suggest that in the context of Pakistan, EO and organizational culture operate independently or potentially conflict with each other. Possible explanations include autocratic leadership styles, underdeveloped entrepreneurial orientation, or external environmental constraints such as political, legal, and social factors that impede cultural adaptability. These results are not aligned with Sajid *et al.*, (2021), who found partial moderation effects, highlighting the need for further investigation.

5.1 Theoretical Implications

First, this study extends the entrepreneurial orientation literature beyond traditional corporations into the under-researched domain of projectized organizations. While EO has been extensively studied in relation to organizational performance (Andriani et al., 2024; Hermann et al., 2010), its application to project success remains limited. This research responds to the call by Martens et al. (2018) to examine EO in project-based settings. Secondly, this study is among the first to study absorptive capacity as a mediator between EO and project success, building upon the work of Khan *et al.*,(2020). It reinforces the resource-based view and resource-advantage theory by demonstrating that strategic knowledge resources mediate the translation of entrepreneurial orientation into successful project outcomes. This study also studied adaptive organizational culture as a moderator between EO and that is unique contribution to project management literature (Martens et al., 2018; Sajid et al., 2021). Although the moderation effect was not supported, suggests that AOC may function better as an independent predictor, opening new theoretical avenues. This study makes a value addition to the existing literature by integrating dynamic capability theory and knowledge-based view, this study offers a multi-theoretical lens for understanding how entrepreneurial behaviours, knowledge absorption, and cultural adaptability interact in project environments.

Practical Implications

The findings offer several practical insights for managers and decision makers in project-based firms. In particular, adopting entrepreneurial thinking within project teams, especially regarding innovation, risk-taking, and proactivity, directly increases project success rates and encourages organizations to invest in training programs and incentive structures that promote these behaviours. Equally important is developing the capacity to acquire knowledge. This requires organizations to establish formal and informal mechanisms, such

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as knowledge management systems, post-project evaluations, and cross-project learning communities, to integrate, transform, and apply knowledge gained from past and present projects. While an adaptive organizational culture may not directly influence the relationship between entrepreneurial thinking and the capacity to acquire knowledge, its strong direct effect on this capacity demonstrates that an adaptive culture independently enhances the capacity to integrate knowledge. Therefore, leaders should promote flexibility, a learning orientation, and openness to change. The absence of a statistically significant moderating effect suggests a potential conflict between entrepreneurial orientation and adaptive organizational culture in project-led organizations in Pakistan. This situation encourages managers to identify cultural barriers and leadership styles that may limit their ability to adapt, and to bridge this gap through participative leadership and change management initiatives. Finally, given the partial mediation effect, managers should not rely solely on entrepreneurial tendencies for project success; rather, fostering inclusivity as a mediating factor is crucial.

Limitations and Future Research Directions

A conceptual model is presented in this research to empirically examine the effect of entrepreneurial orientation on absorptive capacity, which in turn affect success of project. The model was empirically validated using convenient sampling from Pakistani manufacturing firms. Consequently, the findings should be interpreted with caution, as the sampling strategy and contextual boundaries may compel the external validity and broader applicability of the results. This study used the cross-sectional design and single-source data collection introduce potential common method bias, although statistical tests indicated no serious issues. The present study could be extended to both qualitative and quantitative methods, such as interviews and observations to give a more complete picture of the mechanisms involved. Researchers are also advised to consider addressing the possible endogeneity issues and investigating the potential bidirectional relationship between the constructs in order to enhance causal inferences. Furthermore, absorptive capacity needs to be explored in different dimensions to more fully reflect the complexity of its nature and impact on organizational outcomes.

Contribution of Authors

All the authors participated in the ideation, development, and final approval of the manuscript, making significant contributions to the work reported.

Conflict of Interest Statement

The authors declare that there is no conflict of interest regarding the publication of this article.

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Informed Consent

Informed consent was obtained from all participants.

Data Availability

The datasets generated during and analysed during the current study are available from the corresponding author on reasonable request.

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