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Entrepreneurial leadership: A new managerial chore in the era of rampant changes

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Abstract

The world is becoming too turbulent and unpredictable to use conventional leadership strategies. As a reason, research on aspects of entrepreneurial leadership has intensified during the last decade. Numerous traits and characters were discussed in previous literatures. In this conceptual paper, a number of previous studies have been reviewed to provide an analysis of primary determinants and their corresponding effects, in an effort to map traits and characteristics of greatest relevance in the context of the entrepreneurial leadership

Keywords: Entrepreneurship, Leadership, Entrepreneurial Leadership and Characteristics

Introduction

In today's dynamic business environment, the old management theories and practices are not sufficient to survive. The high paced technological changes and knowledge-based enterprises; managerial work turns out to be increasingly a leadership task. Leadership is the primary force behind successful change. So in this increasingly tumultuous and aggressive environment organisations face today, a new-fangled type of "entrepreneurial" leader distinct from other behavioral forms of managerial leadership is required.

Plethora of research argued that organizations also have to be more entrepreneurial to increase the performance, capacity for adaptation and continued existence. Some research studies indicate that entrepreneurial behavior in established firms is associated with superior performance (Zahra & Covin, 1995) [30] and is sustainable. As a result, there has been belief of adopting entrepreneurial leadership to improve performance of the organisation (Mohtar & Rahim, 2014) [16]. The notion of entrepreneurial leadership involves merging the concepts of entrepreneurship (Schumpeter, 1934) [23], entrepreneurial orientation (Miller, 1983; Covin and Slevin, 1989) [17, 8], and entrepreneurial management (Stevenson, 1983) [24] with leadership. In this conceptual paper, various previous studies have been reviewed to provide an analysis of primary determinants and their corresponding effects, in an attempt to plot traits and characteristics of greatest relevance in the context of the entrepreneurial leadership.

Entrepreneurship

The research on entrepreneurship has developed radically over the years. Entrepreneurship theory has been developing over the last 30 years and it is apparent that the field is growing. As Bygrave and Hofer (1991) [4] observed entrepreneurship researchers were facing challenges in the 1990s is to develop models and theories built on concrete foundations from the social sciences. Several managerial studies of entrepreneurship have built on the need to improve upon the view of the entrepreneur in the role of mere coordinator rather than decision maker. A number of studies explicitly began to explore this issue by looking at personal traits and delineating the peculiarities of an entrepreneur with respect to other economic agents: attitude in coping with risk (Cantillon, 1759) [5], alertness (Kirzner, 1999) [14], creativeness (Schumpeter, 1934) [23], and imagination (Shackle, 1970) [22]. It is implicit that the decision to be entrepreneurial is stimulated not by the expectation of maximizing wealth but based on the characteristics of a temporary disequilibrium of the market, but as an individual manifestation of attitudes. These traits may be linked to agents' preferences such as risk attitudes or ability in making use of information. One widely cited definition of

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general entrepreneurship
is the quest of opportunity

beyond the resources one currently controls (Stevenson and Gumpert, 1985)^[25].

Leadership

As a single domain, leadership has more models and theories than any other area in the behavioral sciences (Hunt & Dodge, 2000)^[12]. Research in this domain has been traced as far back as ancient civilizations (Peterson & Hunt, 1997)^[19], with leaders serving as symbols in the Old and New Testaments, the Upanishads, the classics of Greece and Rome, and the Icelandic sagas. From the 20th century, leadership has enjoyed systematic scholarly attention consistently. Accompanying the huge amount of modern leadership models is the multitude of definitions for the phenomenon. Over 40 years ago, Bennis (1959)^[1] discussed the complexity and slipperiness of the leadership construct that had an endless proliferation of terms without any clear definition where there are abundant definitions of leadership as those who have studied it. Research in this domain has been traced as far back as ancient civilizations (Peterson & Hunt, 1997)^[19], with leaders serving as symbols in the Old and New Testaments, the Upanishads, the classics of Greece and Rome, and the Icelandic sagas.

Over 40 years ago, Bennis (1959)^[1] discussed the complexity and ambiguousness of the leadership construct that had an endless propagation of terms without any clear definition. In spite of these challenges, leadership is at present is considered as a matured field (Hunt & Dodge, 2000)^[12]. General leadership, by another widely quoted definition, consists of strategic vision coupled with the ability to influence and motivate others through the systems, processes and culture of an organisation (Kotter, 1990)^[15]. It is viewed as a social influence process whereby a “leader” attempts to influence the activities of individuals and groups.

Entrepreneurial leadership

Scholars from both fields have begun to acknowledge that leadership and entrepreneurship are concepts with many commonalities (Kempster & Cope, 2010; Vecchio, 2003)^[13, 28]. A comprehensive review of the juncture of leadership and entrepreneurship research concludes that the two fields “converge and have traversed historically” a similar path and can therefore learn from each other (Cogliser & Brigham, 2004)^[6]. As a result, leadership researchers have started incorporating entrepreneurial qualities in organisational leadership research (Gupta, *et al.*, 2004)^[9], and entrepreneurship researchers are increasingly drawing on leadership studies. It is now emerging as a new paradigm based on “cross-fertilization” between the two fields. McGrath and Macmillan 2000 who is to advocate entrepreneurial leadership and was conceptualised that the increased uncertainty and competitive pressures in the globalised dynamic market require a new form of leader. Thus, they gave the description of the ‘entrepreneurial leader’ as the one who has an apt ‘entrepreneurial’ approach and precisely the ability to keep themselves abreast with the fast changing situations and to make use of opportunities to bring in benefit for the organisation before and faster than others. In the words of Roomi and Harrison (2011)^[21], ‘Entrepreneurial leadership is defined as having and communicating the vision to engage teams to identify, develop and take advantage of opportunity in order to gain competitive advantage’. It entails influencing and directing

the group members toward achieving those organizational goals that involve recognizing and exploiting entrepreneurial opportunities (Maija Renko, Ayman El Tarabishy, Alan L. Carsrud, and Malin Brännback, 2015)^[20]. Throughout the literature review, it was found that vision enactment (Fernald *et al.*, 2005)^[26] teamwork and leading change are the key function of an entrepreneurial leader. Literature also gave four dimensions of the construct of entrepreneurial leaders. These were vision, informing and communicating, accepting chaos and relationship building. It gives emphasis to take a strategic approach to entrepreneurship, which helps the entrepreneurial initiatives to support development of enhanced capabilities for continuously creating and appropriating value in the organisation. As a result, entrepreneurship can form a starting point for competitive advantage and technological growth in any types of organisation that are oriented towards leadership and excellence in the new global economy.

Characteristics of Entrepreneurial Leadership

In the literature, numerous characteristics of entrepreneurial leaders are recognized as highly innovative, strong motivation to achieve set goals, enthusiastic, speedy response to an opportunity, visionary, handling of internal and external customers, and opposing hierarchy and bureaucracy (Davies & Brundrett, 2010; Hulsing, 2009)^[7, 11], shows that entrepreneurial leaders are attracted by the opportunities and they have an eye for the potential product development situations. They tend work in a holistic manner which let them take care of every aspect of the process and the company. As a reason, they create value in a balanced manner. A “Big Five” set of personality factors in entrepreneurship was proposed by Vecchio (2003)^[28] as propensity for risk-taking, need for achievement, need for autonomy, self-efficacy and locus of control. Tarabishy *et al.* (2005)^[26] identified a combination of transformational and transactional leadership traits entrepreneurial leaders. Similarly, the traits defined by the visionary leadership theory included care, empowerment, communication, trust, confidence and vision event. A theoretical model was also developed by Van-Zyl & Mathur-Helm (2007)^[27] with the similar purpose of developing and assessing the construct of entrepreneurial leadership. They chose reactivity, innovativeness, risk-taking dimensions of entrepreneurship whereas psycho-emotive, technical and ethical dimensions of leadership. The psycho-emotive dimensions measure the social skills, whereas technical dimensions are related to the way a leader deals with the individual traits of his people. Many more characteristics besides risk, innovation, need for achievement, autonomy, self efficacy, locus of control and overconfidence have been proposed by different academic entrepreneur researchers.

Conclusion

There is relation between the entrepreneur and leadership and entrepreneurial leadership and entrepreneurial leadership traits and characteristics. The magnitude of the relationship contrast between different investigations that is difficult to compare and draw conclusions. Logical and empirical arguments supporting the assumptions on

entrepreneurial leaderships its traits, characters and behaviour are hard to find. The question “what makes an entrepreneurial leader” remains largely unanswered, despite numerous studies.

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