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ENTREPRENEURIAL LEADERSHIP: A THEORETICAL RESEARCH

Abstract:

In today's business world, having just leadership qualities by business managers is not enough in order to maintain growth, development and sustainability of enterprises. In addition to this, business managers should be able to seek innovations, opportunities around them and take some risks. Managers with these qualities have both leadership and entrepreneurship characteristics. At this point, the concept of entrepreneurial leadership emerges. Entrepreneurial leadership can be defined as a leader, who is also have the skills of entrepreneurship. In other words, entrepreneurial leadership refers to the managers who can take risks, seize opportunities, pursue innovation and be innovative, producing, interchanging and strategic. In addition, entrepreneurial leadership is creating new products, new processes and expansion opportunities in existing businesses, working in social institutions and dealing with ignored social issues, participating in social and political movements, contributing to the change of current services and policies implemented by civil society organizations and governments. Entrepreneurial leaders know themselves and their environment very well and find new opportunities creating value for businesses, stakeholders and society. The main motivation of leaders is their desire to create social, environmental and economic opportunities. Today, the need for entrepreneurial leaders in businesses is increasing every passing day and the subject of entrepreneurial leadership should investigated by researchers. In this regard, in this study, the concepts of leadership and entrepreneurship are briefly defined in accordance with the earlier studies conducted in this field and the concept of entrepreneurial leadership, which has become increasingly important in the business world, is discussed and the characteristics and dimensions of entrepreneurial leadership and its importance for businesses is emphasized.

Keywords:

Leadership, Entrepreneurship, Administration, Entrepreneurial Leadership

JEL Classification: L26, L20, M10

1. Introduction

Today, having just leadership or entrepreneurship qualities by business leaders is not enough for success of enterprises. They need to have both leadership and entrepreneurship qualities in order to be successful. At this point, the concept of entrepreneurial leadership emerges. Entrepreneurial leadership is a new type of leadership that is a combination of leadership qualities and spirit of entrepreneurship. Entrepreneurial leadership has become a popular topic that needs to be discussed. In this regard, in this study, the importance of entrepreneurial leadership is emphasized by examining the concept of entrepreneurial leadership within a theoretical framework.

2. Leadership

In today's business world, leadership has become increasingly important for businesses. They must pay attention to leadership in order to achieve their objectives and ensure their continuity. Leadership is generally defined as the process of influencing employees of an organization in order to achieve organizational goals (Esmer and Dayi, 2014, p.400). On the other hand, leadership is the ability of creating support and confidence needed to achieve organizational goals among the people (Dubrin, 2012, p.2).

There are many definitions about leadership in the literature. There is a common emphasized point on leadership in these studies. Leadership is the process of influencing group members and guiding them to the right direction. The leader influence members of the group by using his/her leadership characteristics in order to achieve the organizational goals. Steering people to reach a goal requires different persuasion skills. People with these skills and ability to persuade become leaders. Leadership is a social phenomenon and has a purpose. Leadership is a power influencing the others. A group is needed to have a leader. Leaders and groups create a value together and become a trademark (Esmer, 2011, p.10).

Although there are many approaches trying to define leadership, studies conducted on leadership classified leadership in three categories as Great Man Theory, Traditional Leadership Theories and New Leadership Theories. These theories are summarized in Table 1 given below (Aksel, 2008, p.34).

Table 1: Leadership Theories

The Theory		Period	Summary of the Theory
Great Man Theory		Before 1950	Leader decides course of the history.
Traditional Leadership Theories	Trait Approach	Between 1910-1940	General and common characteristics of the leader is explained.
	Behavioral Approach	Between 1940-1960	Behaviors of the leaders are told.
	Contingency Approach	Between 1960-1980	There is not a certain leadership behavior that suits every situation. It varies depending on the situation.
New Leadership Theories Authentic Leadership Transformational Leadership Spiritual Leadership Charismatic Leadership Ethical Leadership Servant Leadership Entrepreneurial Leadership		From 1980s till today	It varies depending on the direction of change of the society.

Source: Aksel, 2008, p.34

As it can be seen in the above table, entrepreneurial leadership is one of the modern and new leadership theories emerged recently.

3. Entrepreneurship

Entrepreneurship is a concept that is considered to be the driving power behind economic growth, economic development, employment and social welfare in recent years. The earlier studies conducted on entrepreneurship show that entrepreneurship is the fourth factor of science of economy after labour, nature and capital factors. Entrepreneurship is considered as the most important factor of production. Because entrepreneurship includes goods or service creating actions by bringing production factors labor, technology, capital and natural resources together. The entrepreneur is the person who evaluates the opportunities in the market and bears the risk of profit and loss by bringing production factors such as capital, natural resources and labour in order to produce goods or services (Yilmaz and Sunbul, 2009, p.195).

Although entrepreneurship is defined in different ways by many authors in the literature, the common point of all definitions appears to be evaluating the opportunities. According to the study of Andrew Bernstein (2011), some of the definitions of entrepreneurship are shown in Table 2 (Kilic et al., 2012, p.425).

Table 2: Definitions of Entrepreneurship

Definition	Source
Entrepreneurship is defined as pursuit of opportunities other than the resources currently under control.	Stevenson and Sahlman (1989)
Entrepreneurship is defined as the relationship between the presence of profitable opportunities and existence of entrepreneurial individuals.	Shane and Venkataraman (2000)
Entrepreneurship is defined as the occurrence process of something new and estimations of risks and gains.	Robert D. Hisrich and Peters (1998); Kinicki, (2003)
Entrepreneurship is defined as employing anything in itself.	Cantillon (1755)
Entrepreneurship is the ability of correctly estimating deficiencies and imbalances in the market and exploring the opportunities.	Kirzner (1973)
Entrepreneurship is the dynamic process of an established and constantly increasing wealth.	Ronstadt (1984)
Entrepreneurship is the process of a valuable difference created by time and effort and prediction of accompanying financial, psychological and social risks as well as financial rewards and personal satisfaction.	Hisrich (1989)
Entrepreneurship is defined as pursuit of opportunities by individuals other than the resources currently under control of them or their organization.	Stevenson et al. (1985)

Source: Kilic et al., 2012, p.425

According to the earlier studies in the literature, the personal characteristics of a successful entrepreneur are self-confidence, determination, communication and persuasion skills, openness to new ideas, having vision, using initiative, reliability, positive thinking, flexibility, risk-taking, hard work, organizational ability, the ability to control, knowledge, reconciled with the environment, persistence, rationality, seizing opportunities and continuous self-renewal (Kucuk, 2014, pp.46-47).

4. Entrepreneurial Leadership

In this section, first entrepreneurial leadership is defined and the characteristics, dimensions and importance of entrepreneurial leadership are discussed.

4.1. Definition of Entrepreneurial Leadership

The success of the businesses depends on effective leadership skills of the management. Entrepreneurial leadership is one of these effective leadership skills. According to Alvarez and Barney (2002), entrepreneurial leadership is a type of leadership that consists of actions towards establishment of a business at the individual level, actions towards following the innovations at the organizational level and actions towards benefiting from the opportunities that are distinguished at the market level (Altuntas, 2014, p.11). Entrepreneurial leadership is a concept appeared by blending the leadership potential with entrepreneurial spirit. When finer points and spirit of entrepreneurship is added to the variable nature of leadership, entrepreneurial leadership arises and it can change the course of the world (Kuru, 2016).

In the literature, sometimes entrepreneurship and leadership are used as interchangeable terms. Then, entrepreneurial leadership is introduced. In entrepreneurial leadership, the leader also has the entrepreneurial qualities (Gunduz, 2010, p.214). Entrepreneurial leaders may adopt a completely independent and guiding role as well as a strategy intertwined with the organization, which is a complex system (Gunduz, 2010, p.212).

Entrepreneurial leadership refers to the entrepreneurship status of a leader. In other words, entrepreneurial leadership can be used for a leader who has the characteristics such as taking risks, evaluating the opportunities, being innovative, productive, interchanging and strategic.

4.2. Characteristics of Entrepreneurial Leadership

Cover and Slevin (2002) suggest that there are six main characteristics of the entrepreneurial leadership. These main characteristics are described below (Yilmaz and Gormus, 2012, p.4487) (Altuntas, 2010, pp.116-117):

- **Supporting entrepreneurial skills:** Effective entrepreneurial leaders consider the human element as the source of entrepreneurial behavior and support development of these behaviors.
- **Interpretation of the opportunities:** Entrepreneurial leaders can transmit the value of an opportunity to general goals of an organization or a person benefiting from the opportunity.
- **Protecting the innovations threatening the current business model:** Individuals perceive disruptive innovation as a personal and organizational threat. An entrepreneurial leader can inform others about potential benefits of the disruptive innovation.

- **Questioning the current business logic:** Entrepreneurial leadership requires continuous questioning of the assumptions underlying the dominant logic in order to identify a new value-creating opportunity and make sure that the organization is positioned in a successful way.
- **Reviewing the simple questions:** Entrepreneurial leaders review the questions about identification of the opportunities and employment of the resources needed to sustain the life of the organization, definition type of organizational goals and achievements and relationships developed with the stakeholders in a continuous manner.
- **Associating entrepreneurship with strategic management:** Effective entrepreneurial leaders believe that an organization should have the skills of entrepreneurship strategically in order to create the highest value.

Besides, according to a study in Young Entrepreneur Council, there are 12 major characteristics that are needed for a successful entrepreneur leader. These characteristics are as follows (Young Entrepreneur Council, 2016):

- ✚ Flexibility,
- ✚ Humility,
- ✚ Focus,
- ✚ Determination,
- ✚ Staying connected,
- ✚ Vision,
- ✚ Paranoid trust,
- ✚ Ownership,
- ✚ Positivity,
- ✚ Marketing,
- ✚ Self-awareness and
- ✚ Listening others.

4.3. Dimensions of Entrepreneurial Leadership

Karcioglu and Yucel (2004) have conducted a study in order to identify personality characteristics of entrepreneurial leaders and suggested that there are nine dimensions of entrepreneurial leadership. These dimensions are as follows (Karcioglu and Yucel, 2004, p.418):

- ✚ Being a team player,
- ✚ Vision,
- ✚ Innovation,
- ✚ Problem solving,
- ✚ Being persistent,
- ✚ Taking risks,
- ✚ Adapting to changes,
- ✚ Knowing the consumer needs and
- ✚ Decisiveness.

4.4. Importance of Entrepreneurial Leadership

Entrepreneurial leadership is an important factor affecting the performance of the company. Therefore, in today's intense and dynamic competitive business environment, leaders of companies and especially leaders of small-scale family companies should have and use the qualities of entrepreneurial leadership in order to continue their lives, compete with their competitors and develop themselves (Karcioglu and Yucel, 2004, p.417).

5. Conclusion and Recommendations

Entrepreneurial leadership is one of the factors that are critical for companies in enabling the success of reaching their business objectives. Therefore, entrepreneurial leadership characteristics of people in the leading position affect performance, continuity, effectiveness and productivity of the companies. These people should have entrepreneurial leadership characteristics in order to gain competitiveness advantages, grow and develop their companies and survive in this competitive environment. In addition to leadership qualities, having an entrepreneurial spirit shows that the person in the leading position is an entrepreneurial leader. Entrepreneurial leader characteristics such as influencing others, vision, originality and courage as well as entrepreneurial characteristics such as risk taking, seizing opportunities, pursuing innovations, being innovative, productive, interchanging and strategic.

Entrepreneurial leaders know themselves and their environment very well and find new opportunities creating value for businesses, stakeholders and society. The main motivation of leaders is their desire to create social, environmental and economic opportunities. The lack of resources or uncertainties don't discourage them, instead these problems motive them and lead them to search for new solutions to overcome these

problems. Entrepreneurial leaders don't sink into skepticism and they don't remain under pressure of problems. They direct people to fight against problems that seem impossible to solve by making analyses and finding solutions with their productive thinking skills.

Entrepreneurial leadership is considered as referring to entrepreneurship. It is one of the new and modern leadership types. Entrepreneurship is about establishing a new business. On the other hand, entrepreneurial leadership is creating new products, processes and expansion opportunities in the companies, working in social institutions and stepping into participating in neglected social problems, social and political movements, contributing to the transformation of existing services and policies of non-governmental organizations and governments.

As a result; the need for entrepreneurial leaders in today's companies is increasing day by day. Therefore, applied trainings, seminars, conferences can be organized and projects can be implemented in companies in order to increase the number of entrepreneurial leaders.

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