8 Entrepreneurial Leadership

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The study of leadership has certainly come a long way since Thomas Carlyle wrote about heroes and hero worship in 1841 (Bryman, 2011). From the organizational perspective, the most significant role of a leader is to influence and provide direction to their followers and provide them with the much needed support for its success (Wood, 2009). Conversely, an ineffective leader does the adverse and can, in fact, detract from organizational goal accomplishment. Leadership has been defined from various viewpoints and each definition allows exploring the concept from a wider and diverse angle. Furthermore, over time, scholars have proposed many different styles of leadership, interestingly; yet, there is no particular style of leadership that can be considered universal. This chapter concentrates on leadership styles and theories and begins by defining leadership. It also incorporates entrepreneurial leadership (EL) as EL exists at the intersection of entrepreneurship and leadership; we take a look at the leading scholar Gupta's definition of EL (Gupta *et al.* 2004).

Leadership – a definition

According to Stogdill (1948), there are nearly as many definitions given to leadership as there have been researchers who have written about the concept. Conger (1992: p. 18) defines leadership as "individuals who establish direction for a working group of individuals who gain commitment from this group of members to this direction and who then motivate these members to achieve the direction's outcomes". Essentially Conger's definition involves the following:

1 The individuality of leaders.
2 Their focus in providing direction.
3 The presence of a group; that is, leadership operates in groups.
4 The involvement of the followers via commitment (the degree of commitment can differ).

5   Leadership is about influencing through motivation.

6   Leadership includes the achievement of goals, which leaders and follows share.

As such, to ensure that one understands leadership, it needs to be said that leaders are not better than followers, nor are they above followers. On the contrary, leaders and followers are intertwined in a way that requires them to be understood in their relationship with each other and as a collective body of two or more people (Burns, 1978; Hollander, 1992; Dubrin, 2007).

The key writers on the subject 'leadership' among many have been Stogdill, Bass, Burns, Hersey and Blanchard and the more recent ones, Schyns and Northouse.

Leadership styles

A leadership style is the manner and approach of providing direction for a team, implementing plans and motivating people to complete a task. There are several different leadership styles, each with advantages and disadvantages.

Lewin (1939) led a group of researchers to identify different styles of leadership. In the study, groups of school children were allocated into three different groups with three diverse types of leaders: authoritarian, democratic and a laissez-faire. The children's behaviour was recorded in response to the different styles of leadership in an arts and crafts project. This early study has been very influential and established three major leadership styles.

■ Autocratic leadership style

In an autocratic leadership style, staff and team members have little opportunity to provide their input suggestions, and leaders have complete power over their staff. In terms of disadvantages, most staff members resent being dealt with in this way, therefore it is deemed that autocratic leadership is often best used in situations of crisis. Autocratic leadership is often used synonymously with a directive style of leadership; Tepper (2000) uses 'abusive supervision' and Einarsen, Aasland and Skogstad (2007) have used 'tyrannical leadership' to describe the 'autocratic'.

Generally, the autocratic leadership style is not considered to be the most suitable way to get the best response from a team, but it has distinct advantages in situations where there is great urgency and pressure to achieve, such as the armed forces. Autocratic leaders tend to be the sole decision makers for their group (Van Vugta *et al.*, 2004).

An autocratic leader: Howell Raines, of the New York Times

The New York Times had a lot of autocratic leaders like Howell Raines and Abraham Rosenthal. Howell Raines, executive editor, is an example of a very efficient autocratic leader, as the newspaper industry is highly demanding, with a lot of associated pressures and requiring quick decision-making. The newspaper industry requires different forms of autocratic leadership styles to meet the deadlines, day after day. Nevertheless, Raines was dismissed after almost two years in the job, because his leadership style caused distress amongst the journalists and quality declined.

Source: Adapted from Kellerman (2004).

Appropriate conditions when an autocratic leadership style is best suited:
- ☐ When decisions need to be made quickly and do not necessarily require the team's input.
- ☐ You are working to a tight deadline.
- ☐ The team is well motivated and used to working for an authoritarian leader.

Benefits of autocratic leadership
- ☐ Quick decision making
- ☐ Streamlined work process
- ☐ Absolute control
- ☐ Close supervision
- ☐ Maintains order and discipline

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Exercise

In small groups, discuss the disadvantages of autocratic leadership.

■ Democratic leadership style

The term 'democratic leadership' has been replaced by 'participative leadership' (Yukl, 2000). Participative leadership is the degree to which a leader shares the influence on decision making with his followers in a workgroup (Somech, 2003). Democratic leaders make the final decisions, but they include team members in the decision-making process. They encourage creativity, and people are often highly engaged in projects and decisions. This is not always an effective style to use, though, when you need to make a quick decision.

Democratic leadership cultivates a sense of responsibility in team members who feel that they have an entrusted concern in the success of the operation. It also allows a leader to draw upon the knowledge and capabilities of the team

in order to achieve the best and to develop the skills of individuals in the team. Hoch (2013) notes that participative leadership will foster shared leadership development in teams. Democratic leadership style was the commonest style of leadership used by principals of senior secondary schools in Nigeria (Adeyemi, 2010). The study found a significant relationship between principals' democratic leadership style and students' academic performance suggesting that the more democratic a principal is in his or her leadership style the better the academic performance of students in the schools.

Drawbacks of democratic leadership

- ☐ A time-consuming approach
- ☐ Not be the most cost effective way of organizing a service.
- ☐ Team members need to be carefully selected

Exercise: Local city council and leadership

Your local city council has reported an increase in youth crime. Chris is the Senior Community Police Officer involved who has taken on the initiative to reduce the amount of youth crime occurring. The first step on the action plan is to call a meeting to deliberate upon the situation. The agenda is to discuss the current preventative action and subsequently produce an effective plan to better the service.

The meeting invitation has been sent to the youth action groups, the Probation Service, local business owners and social services. After reviewing his preparation notes for the meeting, Chris has decided to take on a democratic approach to the meeting rather than using another style.

1   Do you think Chris has made the right choice; if so, why?

2   What are the main drawbacks of using this style and how could this affect the project as a whole?

■   Laissez-faire leadership style

First described by Lewin, Lippitt and White in 1938, the laissez faire leadership style is sometimes described as a 'hands off' leadership style because the leader provides little or no direction to their followers. This style allows complete freedom to the group to make decisions without the leader's participation. Thus, subordinates are free to do what they like. Piccolo *et al.*, (2012) note that laissez-faire is the avoidance or absence of leadership, indicating leaders who avoid making decisions hesitate in taking action, and are absent when needed.

In this style the leaders normally do not want to impose their interference in decision making processes. Subordinates are free to work in their own way and they are also responsible for their decisions. This style varies from the