

# Entrepreneurs and Role of Leaders

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## ABSTRACT

A correlation between entrepreneurial leadership characteristics and business success was shown by the research. Key results showed that leaders with an entrepreneurial mindset reaped the most rewards from this kind of leadership, which allowed them to significantly boost their organization's performance. It's more likely that this kind of leadership will be able to efficiently run the company than a manager or an informal leader with no official power. The entrepreneurial leader takes ownership of their actions and recognizes the need of being proactive rather than reactive. In order to achieve the company's goals, they consider new ways of doing things and look for opportunities to work with a diverse range of people and tools.

**Keywords:** *Leadership, Entrepreneur, Effective Performance*

## Introduction

Modernity is characterized by the discontents of civilization. In times of crisis, whose advice should mankind follow? That is when leadership really shines. However, in recent years, business owners across a wide range of fields have begun to utilize the word "entrepreneur" to characterize the way they run their enterprises. Leadership in today's worldwide culture is not determined by one's resume or one's current skill set. Being an entrepreneur means being willing to give up things that are more important to you so that you may help others. New psycho-spiritual leaders who can cast an inspiring future-of-humanity vision are urgently required. Aspiring to the principles of an abstract, unfettered, and formless life is what all leaders should do. Business leaders that are really effective are those who can modify their approach to leading based on the specifics of the situation at hand.

**Leadership:** Leaders who put their power to work for the benefit of their people (Yukl & Van Fleet, 1992). For this reason, the ability to direct a group toward its objectives as a defining characteristic of leadership will be treated. It's not uncommon for the individual designated as "team leader" to simultaneously serve as the group's de facto leader. On the other side, there are also leaders who don't have formal positions. Therefore, anybody who can motivate their coworkers to strive toward a common objective might be considered a leader in the workplace. They arise when individuals demonstrate features that are highly desired by the group.

It is feasible to describe leadership as the personal attributes, activities, and styles of decision-making that are demonstrated by the leader. In other words, it relates to the method in which the leader accomplishes the obligations of their position. A position description for a leader may be developed in light of this, but leadership itself is harder to pin down. It is a typical error to dismiss the idea that the dynamics of leadership may be different when the majority of followers do not have direct contact with the leader compared to when they do have such engagement. According to Waldman and Yammarino (1999), analogous notions may be used to identify leadership styles in each of these settings; but, the processes through which followers create impressions of the leader are extremely different. Others' impressions of the leader are heavily influenced by the leader's narratives, vision, and symbolic behaviors, as well as the success of the leader's organization, while the impressions of the leader's closest followers are formed through the leader's day-to-day interactions with the followers.

"Morale" refers to an attitude of satisfaction mixed with the desire to continue engaging in the activities of a given organization and the willingness to strive toward accomplishing its goals. There are two main factors to think about. To begin, it is necessary that the individual has the same aim, as this will give him the incentive to be passionate, active, and self-disciplined. Second, it is the leader's responsibility to foster a group mentality where everyone feels a part of the bigger picture and has each other's backs. Leaders play a key role because they inspire followers to work together tenaciously and "consistently in pursuit of one objective."

Inspirational leadership entails: To implant in supervisors the requirement of employing human connections in supervision is a critical part in the program that is aimed to promote morale. Workers need to look forward to satisfying their own motivations rather than catering to the whims of the movement for supervision to work. The biggest problem with poor management is when bosses can't read their staff's emotions. Supervisors may do a lot for morale by acting democratically and getting workers involved in the day-to-day workings of the department. The supervisor's contacts with his employees must always be fair and impartial. And it's his duty to make the worker feel good about his work by highlighting the relevance of his contributions and heaping praise on him when he does a good job. Instead of putting restrictions on the employee, positive discipline demonstrates the right way to do things and encourages them to adopt it. He has to learn the ins and outs of constructive punishment.

Experts agree that the demands made on leaders are increasing in both scale and complexity (Dess & Picken, 2000). Today's businesses demand a greater degree of informational agility and innovative problem solving from all workers. Constant attention and command and control over subordinates are no longer necessary leadership styles. Keeping a close eye on everyone's work when supervisors and subordinates are spread out throughout the globe may be difficult. Business executives at all levels are responsible for keeping their teams on the same page in the face of rapid change.

## **Leader characteristics**

According to early research (Spangler & House, 2004), leaders often scored better than non-leaders on:

- intelligence;
- a desire for domination or power;
- self-assurance;
- vigor and perseverance;
- expertise with the job.

These two have been shown to be consistent throughout all subsequent study and have been summarized in the following way (Fleishman, 1953):

- **Consideration:** How much a leader demonstrates that they have trust in their workers, how much they appreciate what their workers have to say, and how much they care about how their workers feel.
- **Structure:** The process through which a person defines his or her own position as well as the responsibilities of people beneath him or her in order to accomplish a set of objectives is known as leadership. The leader is responsible for actively guiding the group's operations, including but not limited to the following: planning, information sharing, scheduling, criticism, and the testing of new ideas.

According to Gastil (1994), the following are the three most essential characteristics of effective leadership in the entrepreneurial realm.

- **Distributing responsibility:** ensuring that a large proportion of group participants actively participate in decision-making and activity.
- **Empowerment:** establishing goals that are challenging but not insurmountable, guiding others without assuming the spotlight, and ceding control to others when appropriate.
- **Aiding deliberation:** by participating actively, without imposing their will, in the process of identifying and resolving group issues.

The positive contributions that entrepreneurs play in positions of leadership

### **The following are examples of actions taken by leaders with entrepreneurial traits:**

- The enterprise has a significant impact in a corporate environment in which all parties involved have a personal stake in the outcome of problem-solving efforts.
- They are not only involved in the success of their own sphere of influence, but also in

the success of the members of their team as a whole, and they are driven to see those individuals accomplish the objectives they have set for themselves in every facet of the business.

- They urge people to broaden their perspectives by traveling often to other departments, interacting with managers and employees in other divisions, and speaking with individuals who do not belong to their own specialization before making significant decisions.
- Despite the fact that the decision will have little impact on their division, they are committed to providing valuable feedback for the benefit of the whole organization and will do all in their power to do so.
- When addressing the firm, they take an all-encompassing approach to the topic.
- They focus on their colleagues and make an attempt to grasp them by asking clarifying questions and probing for thinking rather than passing snap judgments on them. Rather than being quick to pass judgment, they concentrate on their coworkers.
- If a decision is made at the executive table, then executives will support it even if they personally disagree with it, as long as the decision was made at the executive table.
- They are quick to applaud others on their achievements while downplaying the significance of their own achievements.
- They are always eager to provide a helping hand or offer encouraging words to the other executives working in the workplace beside them.
- People who are members of the executive committee are always ready, outside of the context of official meetings, to protect and promote the reputations of their fellow committee members.

**Guiding principles demonstrating the significance of entrepreneurship in shaping a future effective leader:**

**Effortlessly improve your communication skills**

It is essential for the success of an entrepreneur's teams, groups, and organizations that they be able to communicate clearly and effectively in a leadership capacity. If the members of the team and the team leader are able to communicate with one another in an efficient manner, then there is a larger probability that the team will be able to accomplish the job at hand collectively.

**Maintain a focus on relationships while maintaining a task-oriented attitude**

The results of the research suggest that there is a correlation between effective

leadership and behaviors that prioritize both work and relationships (Bass, 1990). Therefore, leaders who are able to exhibit concern for both the job at hand and the people they are leading have a stronger chance of reaching their objectives. This applies to both the task at hand and the people they are guiding.

### **Make decisions with care**

One of the most important tasks that are expected of a leader is the ability to make choices. As it can be seen, the process itself is very important; this is true not just because it's required to arrive at a solution that's great and can be put into action, but also because the process itself is important in and of itself. For example, involving members of staff in decision-making processes might potentially increase overall job satisfaction among employees; but, doing so often slows down the decision-making process. The decision-making leadership model places a strong emphasis on adaptability, which indicates that the decision-making style of the leader should change depending on the specifics of the situation. It's feasible that some decisions need a more authoritarian approach, while others call for a more participative mode of operation. The capacity to determine which strategy will be most successful in a certain setting is the single most significant skill one may possess. If, on the other hand, there is evidence to show that supervisees are generally satisfied with participatory decision making, then it could be advisable to adopt this strategy whenever there is doubt.

### **Keep in mind that leadership is a two-way street**

Even if followers have an effect on their leaders, it also works in the other direction. To achieve victory, a leader requires the support of the people they are responsible for leading. A successful leader is aware of his or her own needs and works to fulfill them, but at the same time, he or she is sensitive to the needs of the people he or she leads and pays attention to those needs.

### **Master the art of delegating**

Successful leaders are able to increase productivity by educating their subordinates to take on more responsibility and larger difficulties in the workplace. This allows the successful leaders to take on more work themselves. Because of this, good leaders are able to focus more of their time and energy on completing other responsibilities. As a consequence of this, the leader as well as the organization as a whole will benefit from this development.

### **Put your trust in your abilities as a leader**

"Leadership self-efficacy" refers to the assurance that comes from knowing one has the skills required to guide others to reach their objectives. Leaders with high levels of self-efficacy (e.g., those who seem confident in their leadership abilities) are perceived as more effective leaders; hence, it is essential for leaders to possess this quality.

Maintain a close watch on the development of your team, set ambitious goals for them, and offer constructive feedback

Research that was carried out on teams working in a variety of contexts revealed that effective leaders monitor the activities of their teams and provide critical feedback in order to increase productivity and address issues.

### **Adopt a modular approach**

Two of the most critical aspects of being an effective leader are having the necessary knowledge and then really putting that knowledge into action. One of the many ways that you may improve your adaptability is by stopping for a moment before responding to a situation in order to examine it in an objective manner. This is one of the ways that you can do this. It is possible for a leader's own subjective experiences, actions, beliefs, and prejudices to have a detrimental influence on their ability to lead. This might happen for a number of reasons. It is far simpler for leaders to continue employing the same techniques that have been effective in the past rather than modifying their approach to meet the new circumstances since it is much more difficult to change their approach to match the new conditions. In the end, however, the most effective leaders are those who are able to preserve their impartiality and flexibility in the face of great pressure.

Leadership when applied to the context of an entrepreneur, the concept of leadership may be seen as the process of motivating a group of individuals to work together toward the achievement of a shared goal. Leadership in a firm may exist at any level of the organization. Some leaders are in positions of authority, and they may be able to exert influence on followers by relying on both the authority that comes with their position as well as their own personal charm. Those who have acquired such status officially are considered to be formal leaders. Even if some of the leaders in an organization may not have formal titles or positions of authority, they are nonetheless able to wield a significant amount of power over the people they supervise. One of the most important requirements is that those in leadership positions must abstain from using force or other forms of physical coercion to obtain what they want. Instead, followers enthusiastically adopt the leader's cause and fight for it as if it were their own. Someone who imposes their will on others via the use of violence and other forms of coercion is not a leader but rather a tyrant.

### **Entrepreneurial leadership**

Leader performance is concerned with the concept that leaders who perform well possess specific attributes that badly performing leaders do not, as opposed to leader emergence, which is concerned with the possibility that a person will become a leader. A good leader could have traits like intelligence, assertiveness, friendliness, and independence; a bad one might exhibit traits like shyness, aloofness, and calmness. Three areas—traits, needs, and orientation—have been the focus of most studies

examining the connection between personality and leadership effectiveness.

### **Traits**

Studies revealed a positive correlation between leaders' extraversion, openness, agreeableness, and conscientiousness, and a negative correlation between leaders' neuroticism. Some researcher observed a strong correlation between leadership performance and the ability to govern, make decisions, and communicate effectively orally. The same is true of leadership ability: high self-monitors are more likely to become effective leaders than low ones.

- **Self-monitoring:** Self-monitoring is an intriguing notion since it emphasizes actions rather than traits when describing leaders. For instance, a leader with a high level of self-monitoring can be painfully introverted and have little real interest in interacting with others.
- **Cognitive ability:** Empirical research demonstrates a modest but considerable correlation between intelligence and leadership effectiveness. The meta-analysis also found that a leader's cognitive capacity is most crucial when the leader employs a more directed leadership style and is not distracted by stressful events.
- **Needs:** Having a desire for power, need for success, and need for affiliation is a trait of effective leaders that has garnered some support as a personal feature. That a good leader should care more about getting things done than about making friends and influencing others is only one implication of this pattern of needs. A leader who is concerned with maintaining their followers' approval will have a hard time making harsh choices. Leaders with high affiliation needs may value social approval more than professional achievement, which may lead to tension in the workplace.
- **Gender:** Similar to the complexity of leader emergence, meta-analyses reveal that gender plays a nuanced influence in how successful a leader is. However, when the majority of their subordinates were men, or when the situation was traditionally defined as masculine, men proved to be the more effective leaders. When roles were traditionally framed in less male terms, women proved to be more successful leaders. Although it may seem that both men and women are capable of leading effectively, a meta-analysis of leadership styles found that women were more likely than males to exhibit traits indicative of good leadership.

The traits an individual has, such as their willingness to take risks and their capacity for empathy, may be the deciding factor in whether or not a certain startup or mature company that has been operating on the markets for a considerable length of time is successful. There is often a confluence of a number of essential elements that, when brought together, may assist anybody in establishing and maintaining a profitable company.



However, if you're seeking for tips and recommendations on how to become an entrepreneur, you'll have a hard time finding them in a book or article on the subject. Personal attributes like self-discipline, drive, or motivation for participating in business as opposed to working for a firm that pays the entrepreneur a salary are among the main entrepreneurial success elements or characteristics of a successful entrepreneur.

The success of an entrepreneur may be measured by the return on investment (ROI) they are able to generate for their founding investors. They created value out of thin air, which resulted in a healthy financial windfall. If a business isn't profitable, its owners may have to put charity work, such as helping workers or the local community, on the back burner. Companies benefit from leaders who are really empathetic because it humanizes what may be a robotic operation and instills trust in the leader's skills among consumers, employees, and investors.

In addition, business owners need to be polished public speakers since they often serve as the company's first point of contact with prospective employees, customers, and investors. If you don't explain what you're doing and why it matters within the first thirty seconds of a talk, your audience will probably tune out. The capacity to articulate ideas clearly is intrinsically linked to the two hallmarks of successful entrepreneurs: vision and energy. A strong sense of purpose is another essential trait of every successful entrepreneur. She or he must determine what constitutes success for themselves and the business as a whole. As a matter of fact, giving employees a sense of meaning in their work is one of the most important responsibilities an entrepreneur can have. Every company needs leaders who can inspire their staff and guide by example. As a result, people have the right to expect the same standards of conduct from others that they would have preferred to receive themselves. Nothing will be done differently or with different standards.

The key to success is never losing your confidence or your sense of humor, but being alert and keeping a sense of humor in the midst of hardship may certainly help. An optimistic company owner will succeed in any climate and motivate their team to do their best. Leaders with these qualities are able to adapt to new situations without becoming overwhelmed, and they are experts at encouraging their teams to welcome change and seize novel opportunities. In their employment, successful company owners often adopt a more global viewpoint. It is well known that once decided on a course of action, they are very difficult to dissuade from it because of how much they care about the ideas they have established to achieve their goals.

In the domains of psychology and management, the topic of leadership has been the subject of thousands upon thousands of empirical and conceptual investigations over the last almost a century. In spite of this extensive research, the many different parts of this literature have not yet infiltrated the fields of entrepreneurship and small business management. Entrepreneurs are exceptional leaders because they are able to foresee opportunities and mobilize resources from a variety of sources to pursue them. They



create strategic plans that detail the actions needed to attract and organize the group members who will put the plan into action in order to fulfill the vision and create value.

A new theory known as "entrepreneurial leadership" has emerged in the study of leadership to provide a more all-encompassing framework for understanding the complex leadership roles required during startup creation and growth. Because of the free flow of ideas and methodologies between entrepreneurship and leadership studies, a new theory has emerged at the intersection of the two. Entrepreneurial leadership has been studied by academics from both fields from these perspectives until recently.

Even before the term "entrepreneurial leadership" was created, the topic had been discussed. Schumpeter was an early pioneer in connecting entrepreneurial spirit with efficient leadership. One of the most up-to-date definitions of entrepreneurial leadership is the art of leading a group to victory by assisting its members in recognizing and seizing opportunities for innovation.

## **Conclusion**

An idealized form of influence represents the degree to which those in positions of authority choose to do what is right rather than what is straightforward or convenient. When leaders continuously behave in a manner that displays idealized influence, and when workers grow to expect such acts from management, mutual trust and respect are created between management and employees. The conduct of such entrepreneurs in positions of leadership would result in favorable impressions of interpersonal fairness, which are essential to the success of the firm.

Leaders demonstrate inspiring motivation when they push individuals to be the best that they can be and persuade employees and work groups that they can achieve above and beyond what was expected of them. Because of this, the use of inspiring motivation would boost workers' emotions of self-confidence and self-efficacy, which would, in turn, enable them to do their tasks to the best of their abilities. To provide intellectual stimulation for workers, employers should encourage them to think independently, to question long-held beliefs on the flow of work, and to consider traditional issues from fresh angles. Leaders in the workplace encourage the personal development of their employees by offering opportunities for intellectual stimulation. Lastly, leaders demonstrate customized regard when they care for the professional growth of their personnel. This helps people become more effective in their jobs. For instance, leaders are providing a unique and individualized sort of social support for certain workers when they listen to those employees and display empathy for those employees.

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