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The perceived personal characteristics of entrepreneurial leaders

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THE PERCEIVED

PERSONAL CHARACTERISTICS OF

ENTREPRENEURIAL LEADERS

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ABSTRACT

The concept of entrepreneurial leadership has attracted growing interest from leadership scholars but research is still in an early stage and empirical studies are rare. This thesis explores this new concept in an empirical study of the personal characteristics of entrepreneurial leaders (ELs). The study is underpinned by the "common characteristics" model in which ELs have characteristics of both entrepreneurs and leaders. Semi-structured interviews and a short questionnaire were used to explore business owners' and corporate managers' perceptions of the personal characteristics of ELs. Responses were summarised with thematic analysis and descriptive statistics.

The findings show participants perceived EL as a distinctive leadership style applicable to both small ventures and large organisations. ELs were differentiated from non-leader *entrepreneurs* in motivation and leadership capabilities, and integrity was considered particularly important in ELs as entrepreneurs were seen to have questionable ethics. ELs were differentiated from non-entrepreneurial *leaders* in managerial style, for example being less risk-adverse and more achievement-driven. These findings partially support the common characteristics model, but also suggest ELs have some unique attributes not shared with entrepreneurs and/or leaders.

EL's characteristics are categorised into more fixed *distal* attributes (e.g., cognitive abilities, motives, values and personality) and more changeable *proximal* attributes (e.g., problem solving skills and attitudes). A model linking distal to proximal attributes was created to enable future researchers to predict the effects of individual difference variables on leader effectiveness. The most important proximal attribute is having a growth-oriented, values-based vision. Several distal characteristics of entrepreneurs appear particularly important to leading in turbulent times. ELs are perceived to be more *pragmatic* and more *resilient* in the face of failure than non-entrepreneurial peers. The attributes of pragmatism, resilience and ethical leadership appear to give EL's a unique leadership 'style'. These attributes are related to recent studies of emotional intelligence and authenticity in leadership.

ELs can be either business owners or corporate managers. Respondents perceived that business-owner ELs were more likely to succeed in venture growth and also more ethical

than pure entrepreneurs. Corporate ELs were perceived to be more effective in achieving results and acting as a driving force for corporate entrepreneurship.

Overall the findings suggest that entrepreneurship scholars should see EL as a distinct form of leadership of great relevance to research and training programs in today's entrepreneurial economy. Implications for both leader and entrepreneur development are presented.

DECLARATION

I certify that this thesis does not, to the best of my knowledge and belief:

    i.   incorporate without acknowledgment any material previously submitted for a degree or diploma in any institution of higher education;

    ii.   contain any material previously published or written by another person except where due reference is made in the text of this thesis; or

    iii.   contain any defamatory material.

ACKNOWLEDGEMENT

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CHAPTER 1: INTRODUCTION

Leading in a turbulent time and an increasingly entrepreneurial economy (Drucker, 1984) requires a new form of leadership that has been called entrepreneurial leadership (Gupta, MacMillan, & Surie, 2004). Fernald, Solomon, and Tarabishy (2005a, p. 1) describe entrepreneurial leadership as "a new style of evolving leadership … which offers a break from the past and movement into the future" and Kuratko and Hornsby (1999, p. 27) describe entrepreneurial leadership as "the leadership of tomorrow".

Since Fernald and Solomon (1996) posed the intriguing question of whether entrepreneurial leadership is "an oxymoron or a new paradigm", both entrepreneurship and leadership researchers have been increasingly interested in the concept. Although entrepreneurial leadership is seen as a "new construct" or "new paradigm" from both entrepreneurship and leadership perspectives (Bagheri & Pihie, 2011; Becherer, Mendenhall, & Ford-Eickhoff, 2008; Darling, Keeffe, & Ross, 2007; Gupta, et al., 2004; Kuratko, 2007b; Prieto, 2010; Roomi & Harrison, 2011), there is still little understanding of its theoretical foundations and even less empirical investigation (Bagheri & Pihie, 2011). This study aims to provide empirical findings to advance the conceptual development of this emerging construct (Abbas, Gita, & Hajar, 2011).

In particular, the study was designed to identify the perceived personal characteristics of entrepreneurial leaders (ELs). The study also explored ELs' approaches to ethics and attitudes towards failure. These leader attributes are examined in qualitative interviews and questionnaires eliciting perceptions of practising managers and individual entrepreneurs. The research questions were drawn from a review of the largely separate literatures on leadership and entrepreneurship, as well as a small number of entrepreneurial leadership studies.

The research has three broad aims:

(1) To empirically investigate the "common characteristics model" of entrepreneurial leadership (Fernald, et al., 2005a; Perren, 2002) by asking managers and entrepreneurs about their "implicit theories" of it.

(2) To investigate two particular issues faced by leaders who are also entrepreneurs: (a) how ELs balance entrepreneurial pragmatism with ethical leadership, and (b) how they remain resilient in the face of failure.

(3) To contribute to theoretical understanding of entrepreneurial leadership by (a) developing a model of the ELs' personal attributes, (b) comparing the concept in small business and corporate settings, and (c) relating entrepreneurial leadership to theories of transformational, ethical and authentic leadership and emotional intelligence.

1.1 Definition and Importance of Entrepreneurial Leadership

In their book *The New Entrepreneurial Leader,* Greenberg, McKone-Sweet, and Wilson (2011, p. 2) define entrepreneurial leaders as individuals who "engage a different *logic* of business decision-making based on a fundamentally different *rationale* for existence of business". Greenberg, et al. (2011, p. 10) argue that entrepreneurial leadership "involves a new model of thought and action, which begins with a fundamentally different worldview of business and applies a different decision-making logic". They emphasise that entrepreneurial leaders not only create new ventures but also work in established organisations, leading business expansion, or in social and political movements. Following this perspective, this study examines both business founders and corporate managers who are perceived as ELs, and how they differ from traditional leaders in outlook and behaviour.

Although research on entrepreneurial leadership is still embryonic, there has been a growing acknowledgement that it is important to both small start-ups and large established organisations. There is growing recognition that leadership plays a critical role in the growth and success of new entrepreneurial ventures (Chen, 2007; Yang, 2008), particularly the *founder's* leadership competencies (Swiercz & Lydon, 2002). However, as Antonakis and Autio (2007, p. 189) suggest, leadership remains largely "a neglected theme" in entrepreneurship research.

Entrepreneurial leadership is also increasingly considered vital to making large organisations more entrepreneurial. ELs can introduce entrepreneurial thinking and create a more entrepreneurial culture, revitalising organisations to become more competitive and adaptable in a business environment characterised by continual change, uncertainty and complexity (Morris, Kuratko, & Covin, 2008). Although researchers have highlighted notions of

"visionary leadership" or "strategic leadership" over past decades, Kuratko and Hornsby (1999, p. 28) identify entrepreneurial leadership as "the solution for the 21st century corporation". In a complex and changing world entrepreneurship is increasingly vital for leaders.

1.2   Current Research: Different Perspectives and Focuses

Researchers generally use both leadership and entrepreneurship studies when conceptualising entrepreneurial leadership, although each frames the concept from different perspectives. In the leadership literature Lippitt (1987, p. 266) sees entrepreneurship as a unique form of leadership and Vecchio (2003) similarly argues that entrepreneurship is only leadership in an entrepreneurial context. More recently, researchers such as Gupta, et al. (2004) have described entrepreneurial leadership as a new and very different form of leadership. Kuratko (2007b, p. 8) notes that leadership research has recently "been impacted by the entrepreneurial wave", although McClelland (1987) argued long ago that leadership is primarily bred in an entrepreneur's motivation to achieve. In entrepreneurship research, Ireland, Hitt, and Sirmon (2003) incorporate entrepreneurial leadership as a central dimension of "strategic entrepreneurship". Other researchers outside these two fields have taken a more inclusive perspective by suggesting that the concept of entrepreneurial leadership can be used to explore linkages between leadership and entrepreneurship and "blend the best of both constructs" (Becherer, et al., 2008, p. 19). The "common characteristics" model discussed below and examined in this study is an example of this.

Research on entrepreneurial leadership has two distinct foci. Some studies focus on business founders or owners, often using a "stage model" to study entrepreneurial leadership in start-ups (e.g., Antonakis & Autio, 2007; Swiercz & Lydon, 2002). Others focus on corporate executives' entrepreneurial leadership practices in areas such as strategic renewal, corporate venturing, corporate innovation and entrepreneurial cultures in organisations (e.g., Cohen, 2004; Kuratko & Hornsby, 1999). In today's business environment an entrepreneurial spirit and mindset are considered essential to large organisations as much as leadership competencies are essential to small ventures. Therefore, entrepreneurial leadership is an important concept "necessary for firms of all sizes to prosper and flourish" (Kuratko, 2007b, p. 7).

1.3 Theoretical Background

1.3.1 The intersection of leadership and entrepreneurship

For a long period, leadership issues were not important in entrepreneurship research, and leadership scholars gave little attention to entrepreneurs as leaders (Jensen & Luthans, 2006b). Recently, scholars from both fields have begun to examine their commonalities because "they are very similar notions with conceptual overlaps" (Kempster & Cope, 2010, p. 7). Leadership scholars have started incorporating entrepreneurial qualities (Gupta, et al., 2004), and entrepreneurship researchers have begun to draw on leadership studies for inspiration (Harrison & Leitch, 1994). Consequently, entrepreneurial leadership is an arena where both fields of research can benefit from "potential cross-fertilization" (Harrison & Leitch, 1994, p. 112). Perren (2002, p. 2) identified overlaps in the two fields' conceptual building blocks, concluding that "at a common sense level one can consider an entrepreneur offering leadership and a leader needing entrepreneurial flair". Similarly Cogliser and Brigham's (2004, p. 777) comprehensive review of the intersection of the two fields concluded that they "converge and have traversed historically", so that each can learn from the other.

Studies of entrepreneurial leadership, whether originating from a leadership or an entrepreneurship perspective, are largely based on the "intersection" viewpoint of the authors above. Studies of entrepreneurial leadership in business start-ups or organisational settings have integrated concepts of entrepreneurial behaviour, entrepreneurial orientation and corporate entrepreneurship along with theories of leadership as well as strategic management, organisational behaviour and individual differences. For example, Gupta, et al. (2004) combine McGrath and MacMillan's (2000) concept of "entrepreneurial mindset" with three theories of leadership (neo-charismatic/transformational, team-oriented and value-based leadership). Fernald, et al. (2005a) conceptualise entrepreneurial leadership by identifying the personal characteristics of successful entrepreneurs and leaders. Antonakis and Autio (2007) present a model of entrepreneurial leadership based on trait theories of entrepreneurship and contingency leadership theories in examining entrepreneurial leadership in new venture growth. In short, there has been a growing trend to "more fully integrate leadership and entrepreneurship studies" (Jensen & Luthans, 2006b, p. 255), resulting in the emergence of entrepreneurial leadership as a hybrid of the two fields.

This study draws on the notion of entrepreneurial leadership as the intersection of two separate behavioural styles and approaches to business management. It particularly employs Fernald, et al. (2005a) and Perren's (2002) models of the "common characteristics" of ELs.

1.3.2 Leadership traits and leadership perceptions

Leadership is a complex phenomenon and researchers have taken many different approaches to it. Yukl (2006) classifies leadership studies according to their focus on the characteristics of leaders', followers' or the situation. Hughes, Ginnett, and Curphy (1996) present a similar "interactional leadership" framework describing leadership as an interaction between the leader, the situation and the followers, but note that the effectiveness of leadership is typically attributed to the leader more than the situation or followers, and "sometimes the leader is the only element of leadership we even think of" (Hughes, et al., 1996, p. 115).

The trait approach to leadership now coming back into vogue after decades of neglect exemplifies this focus on the leader. For Kirkpatrick and Locke (1991, p. 59), "in the realm of leadership (and in every other realm), the individual does matter… leaders are not like other people….they do need to have the 'right stuff' and this stuff is not equally present in all people". The trait approach is implicit in the common characteristics model of entrepreneurial leadership examined in this study, and hence while the followers and situation are also important elements of leadership, they fall outside this scope of the present focuses on the "right stuff" of the entrepreneurial leaders' personal characteristics.

Trait theory was the first systematic approach to the study of leaders (Northouse, 2007). It assumes that certain individuals have dispositional characteristics distinguishing them as leaders and determining both their leadership style and effectiveness, a notion underpinning European intellectual discussions of the nineteenth century and much leadership research until the 1960s (Northouse, 2007). This view eventually gave way to the recognition that different management contexts call for different traits, and in the 1970s situational leadership replaced trait theory, ultimately turning the focus to leaders' behaviours rather than personality. Recently, however, trait theory and the "individual difference" approach from psychology have returned to leadership research (Antonakis, Cianciolo, & Sternberg, 2004; Northouse, 2007; Rauch & Frese, 2007).

Traits can be seen as part of the broader concept of a leader's *personal characteristics*. For Yukl (2006, p. 12) a leader's personal characteristics include traits (i.e., personality, motives, values), behaviour, skills and expertise, influence tactics, integrity or ethics, and attributions about followers. Zaccaro, Kemp, and Bader (2004, p. 104) see a leader's personal characteristics reflecting a unified set of individual differences underlying a consistent leadership "style".

This study examines the personal characteristics of ELs and specifically how these differentiate ELs from non-leader entrepreneurs and non-entrepreneurial leaders.

1.3.3   Perceptions and implicit theories of leaders

Although scholars tend to define leadership objectively on the basis of *their* theories and evidence, some have been more interested in how people subjectively perceive leadership in others. This study adopts this focus on leadership perceptions or "*implicit leadership*" theory (ILT). ILT aims to describe "the structure and content of cognitive categories used to distinguish leaders from non-leaders" (Offermann, Kennedy Jr., & Wirtz, 1994, p. 44). It suggests that people are perceived as leaders when their personal characteristics (personality, behaviour or values) fit other people's preconceived images of how leaders appear or behave (Hogan, Curphy, & Hogan, 1994). ILT also draws on attribution theory, in which social psychologists study individuals' perception of others in their social world. ILT has received attention in recent years as a means of relating *perceptions* of leadership (rather than objectively defined leadership styles) to business effectiveness (Lord, Foti, & De Vader, 1984; Offermann, et al., 1994; Schyns & Schilling, 2011).

This study attempts to define the characteristics of entrepreneurial leaders by asking entrepreneurs and organisational managers how they see ELs, particularly their traits and personal characteristics.

1.4   Research Objectives and Research Questions

This research is based on trait or personal characteristics theories of leadership, and takes the subjective approach of implicit leadership theory. It aims to contribute to the understanding of entrepreneurial leadership as a new model of leadership by examining the personal

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characteristics of entrepreneurial leaders in the implicit theories of both small business entrepreneurs and managers in large established organisations.

Two secondary research objectives are concerned with qualities widely considered to define entrepreneurship: a pragmatic approach to ethics and a resilient attitude to failure. Highly visible and sometimes disastrous ethical lapses in leaders and entrepreneurs have made this an important factor in both fields of research. As (Kuratko, 2007b, p. 7) observes, "no perspective of entrepreneurial leadership would be complete without the acknowledgement of the ethical side of enterprise". A key problem in *entrepreneurial* leadership is how leaders balance ethics with pragmatism. Entrepreneurs are widely expected to focus more on results, while followers usually expect leaders to uphold basic ethical standards. Surie and Ashley (2008) attempted to integrate pragmatism and ethics in their conceptual model of entrepreneurial leadership. This study aimed to empirically examine perceptions of how ELs balance these values.

A secondary research objective concerns participants' perceptions of ELs' attitudes to failure. A common perception is that entrepreneurs are generally more willing to take risks and less concerned with failure that non-entrepreneurs, a view reflected in research describing acceptance of failure as a distinctive quality of successful entrepreneurs (Politis & Gabrielsson, 2009; Stokes & Blackburn, 2002). Resilience in the face of adversity is also discussed in authentic leadership theory (ALT), as a positive psychological capability of authentic leaders (Avolio & Gardner, 2005). Authenticity is a personality variable related to psychological wellbeing, and ALT predicts that authentic leaders are more genuine and hence gain greater trust from followers. Recently a model of authentic *entrepreneurial* leadership has emerged (Jensen & Luthans, 2006a, 2006b; Jones & Crompton, 2009) that suggests resilience in the face of failure and adversity is more important to entrepreneurial leaders than other types of leaders.

This study therefore aims to explore participants' perceptions of ELs' attitudes to failure and resilience, and their role in influencing others to join in entrepreneurial activities.

Three research questions stem from these objectives:

1. a) Are ELs perceived differently from non-entrepreneurial leaders and those who are entrepreneurs only?
   b) If so, what are the perceived personal characteristics of ELs?

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2. a) Are ELs perceived as more pragmatic than non-ELs in handling ethical issues?
   b) How are ELs perceived to balance pragmatism and ethics?

3. Are ELs perceived as more resilient than non-ELs in coping with failure, and how does this affect attributions of leadership?

1.5   Significance of the Study

Entrepreneurial leadership has been associated with both business-owner entrepreneurs growing small start-ups into large enterprises and the new wave of corporate entrepreneurs responding to a more competitive business environment (Kuratko & Hornsby, 1999; Swiercz & Lydon, 2002). It is therefore important to study the personal characteristics contributing to ELs' success. This study aims to show aspiring entrepreneurs the critical role of leadership in venture success, and to suggest key leadership competencies such as motivation, shared vision and ethics that they should develop to gain a "leadership edge". It also aims to help corporate managers embrace entrepreneurial thinking and leadership by pursuing opportunity, innovating, and developing resilience in ways that encourage others to join in.

This study also aims to refine earlier conceptual models of the "common characteristics" of entrepreneurial leadership by incorporating empirically-derived implicit theories of ELs and how they differ from pure entrepreneurs and traditional leaders. It also explores ELs' approaches to ethics and failure, two key areas in which entrepreneurial and leadership considerations take different paths.

Understanding how to combine an entrepreneurs' pragmatism and attitude to failure with a leader's ability to motivate others, resolve ethical issues and develop genuine trust is important for trainers or educators seeking to develop entrepreneurial leadership. This study adds to the literature on teaching entrepreneurship and leadership (e.g., Roomi and Harrison (2011)) and addresses Greenberg, et al.'s (2011) call to reorient management education toward entrepreneurial leadership. The findings suggest areas in which EL education should focus, such as vision formulation and communication, balancing pragmatism and ethics, and developing resilience and authenticity.

Finally, this study contributes to theories of entrepreneurial leadership by highlighting it as a phenomenon separate from yet related to both leadership and entrepreneurship (Kempster &

Cope, 2010). The study provides the first empirical evidence on implicit theories of ELs personal characteristics, thereby improving existing conceptual models. It also offers empirical insight into ELs approach to ethics and failure, two areas of great challenge for aspiring ELs. Finally, it links these empirical findings to theories of ethics and authenticity in leadership and provides suggestions for future research.

1.6   Thesis Structure

The Literature Review has five sections reviewing: (1) leadership and entrepreneurship theories, and studies of their intersection; (2) studies directly focussed on entrepreneurial leadership; (3) research on leadership and entrepreneurial ethics; (4) studies of leaders' and entrepreneurs' attitudes towards failure; and (5) research methods relevant to the design of this study.

The Method chapter describes the conceptual framework, research design, research methods, sampling and participants, and the process of data collection and analysis. A pilot study, ethical considerations, and the trustworthiness and reliability of the methods are also covered. The Results chapter has four sections: one reporting the results of the questionnaire survey and three covering interview findings relevant to each research question.

The Discussion chapter also addresses each research question, relating them to each other and to the literature. Finally, the Conclusion provides a summary of key findings and their contribution to the literature, describes the limitations of the study, and identifies areas for future research.

CHAPTER 2: LITERATURE REVIEW

This literature review covers five areas: (1) theories of leadership and entrepreneurship, and major studies of the intersection of leadership and entrepreneurship; (2) entrepreneurial leadership studies, particularly the "common characteristics" models of Fernald, et al. (2005a) and Perren (2002) which were adapted to form the conceptual model for this study; (3) ethical leadership and entrepreneurial ethics studies; (4) research on failure and resilience in entrepreneurship and leadership; and (5) literature on methodology relevant to this study.

2.1   Leadership and Entrepreneurship

Entrepreneurial leadership has its roots in both entrepreneurship and leadership fields of research. Studies of the intersection of these fields showed strong commonalities (e.g., Cogliser & Brigham, 2004) that have led to the emergence of the concept of entrepreneurial leadership. There are, however, still few studies of this concept, most highlighting its overlap with leadership and entrepreneurship research rather than studying it in its own right. Gupta, et al. (2004), for example, used entrepreneurship and leadership studies to guide their pioneering work on the concept.

2.1.1   Leadership research

Leadership is one of the most studied phenomena in social science, reflecting a shared belief that leadership is crucial for society and organisations to function effectively (Antonakis, et al., 2004). More than sixty different classification systems have been used to describe or define leadership (Fleishman et al., 1991). These can be grouped into two broad categories, one viewing leadership as influence processes and the other viewing it in terms of personal characteristics (Northouse, 2007). The latter describes leadership as an amalgamation of certain traits or characteristics that enable leaders to influence followers. Jago's (1982) definition reflects both of these perspectives:

> Leadership is both a process and a property. The process of leadership is the use of non-coercive influence to direct and coordinate the activities of the members of an organized group toward the accomplishment of group objectives. As a property, leadership is the

set of qualities or characteristics attributed to those who are perceived to successfully employ such influence. (p. 315)

Antonakis, et al. (2004) divide leadership research into eight major schools classified on two dimensions: temporal (i.e., when the school emerged) and productivity (i.e., the extent to which the school attracted research interest). The schools are: (1) trait theory, (2) behavioural theory, (3) contextual theory, (4) contingency theory, (5) relational theory, (6) sceptics of leadership, (7) the "new leadership" school (neo-charismatic/transformational/visionary), and (8) the information-processing school (see Figure 2.1)
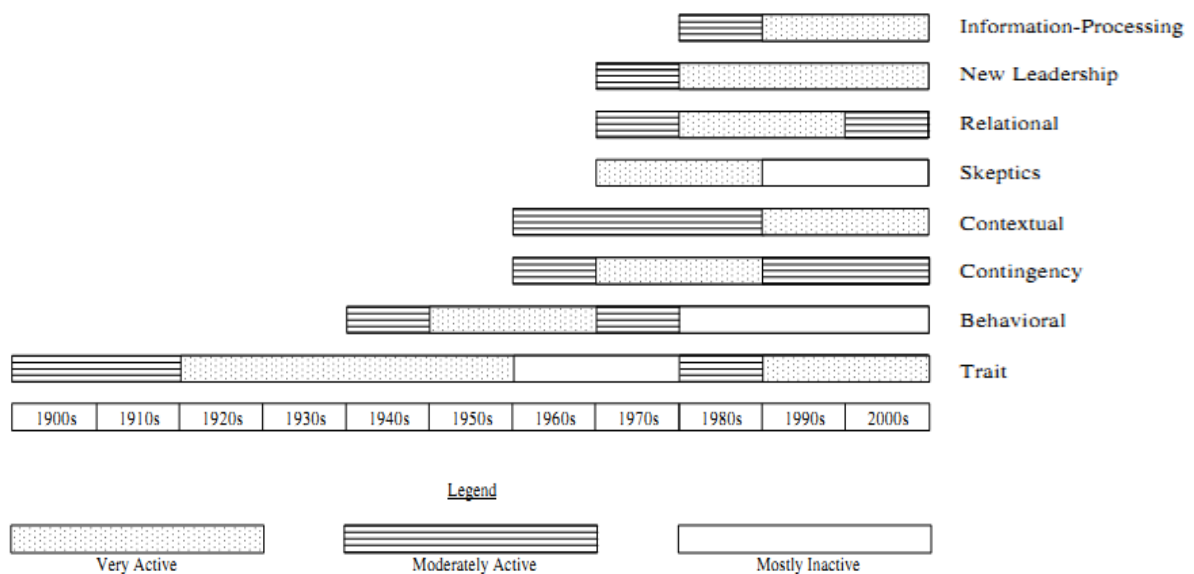
Figure 2.1: Major schools of leadership

Note. From *The Nature of Leadership* p. 7, by J. Antonakis, A. T. Cianciolo & R. J. Sternberg, 2004, Thousand Oaks

As illustrated in Figure 2.1, the trait school of leadership has the longest history (since 1900s), and is currently undergoing a resurgence of interest, appearing now very active alongside the contextual, new leadership and information-processing schools (Lowe & Gardner, 2000). Antonakis, et al. (2004) predict that future leadership research will focus on traits (e.g., intelligence, self-efficacy, dominance) that predict leadership emergence and effectiveness. Other emerging issues include leadership ethics, national culture as a contextual factor, and an increasingly hybrid or 'integrative' perspective of leadership.

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Trait theory of leadership

The systematic scientific study of leadership commenced in the early 20th century with the "great man" theory, which then evolved into trait theories (Antonakis, et al., 2004). According to Kirkpatrick and Locke (1991), trait theories do not make assumptions that leadership traits are inherited or acquired; rather, they simply assert that leaders' characteristics are different from non-leaders. Thus, the term traits here inclusively refers to general characteristics of people, including personalities, motives, capacities, and behaviour.

The trait perspective was called into question in the mid-1900s, and it took almost three decades for it to re-emerge (Antonakis & Autio, 2007) following a number of developments. Zaccaro, et al. (2004, p. 109) describe how "the charismatic leadership research paradigm, together with the recent meta-analytic reviews, new rotation design studies, and longitudinal studies of managerial advancement, have contributed to a revitalization of the leader trait model". Rauch and Frese (2007) relate its revival to new solutions to previous challenges. For example, specific personality dispositions (i.e., 'proximal' individual differences such as goal orientation and self-efficacy) can complement broader traits (i.e., 'distal' individual differences such as conscientiousness) to better predict leader performance, and cognitive ability is now included in trait theory as an important individual difference. Baum, Frese, Baron, and Katz (2007, p. 14) argue that what was formerly criticized is "personality research", but not "*personal characteristics research*". That is, while broad distal personality variables may be important, proximal factors such as motivational, cognitive, action styles and strategies may be more important (Baum, Frese, & Baron, 2007, p. 353).

The leadership trait perspectives is closely related to individual difference research. According to Zaccaro, et al. (2004):

> The rise, fall, and resurgence of leader trait perspectives roughly parallel the popularity (or lack thereof) of individual difference research in general psychology … During this cycle, the notion of traits, as well as their relationships to behaviour and performance, has evolved to reflect greater conceptual sophistication. (p. 103)

Currently, research on individual difference in leadership is "at a cusp of a renaissance", and theoretical extensions of trait models are an important dimension of this renaissance (Antonakis, Day, & Schyns, 2012). Leadership researchers are optimistic that trait theory

appears to be in a mature phase of research and is once more approaching a critical mass (Zaccaro, 2012).

Kirkpatrick and Locke (1991) believe that some core traits substantially contribute to leaders' performance and success. They propose six personal attributes that distinguish leaders from non-leaders: drive, the desire to lead, honesty/integrity, self-confidence, cognitive ability and knowledge of the business. Although they acknowledge that a trait itself is merely a precondition for leadership effectiveness because leaders need to take certain actions to achieve leadership goals, Kirkpatrick and Locke (1991) assert that those who possess the requisite leader traits are more likely to take such actions and be successful. That is, traits influence behaviours and in turn performance.

Zaccaro, et al. (2004) provide a comprehensive literature review of leadership trait theories published between 1990 and 2003, and specify six categories of leader attributes from the literature: (1) cognitive abilities, (2) personality, (3) motivation, (4) social appraisal and interpersonal skills, (5) problem-solving skills, and (6) leader expertise and tacit knowledge. They then apply a proximal-distal individual differences model to these: cognitive abilities, personality and motives are distal predictors of leader performance, while social appraisal skills, problem-solving skills and knowledge or expertise are proximal predictors of leader performance. Zaccaro et al.'s (2004) proximal-distal model of leader attributes is shown in Figure 2.2.
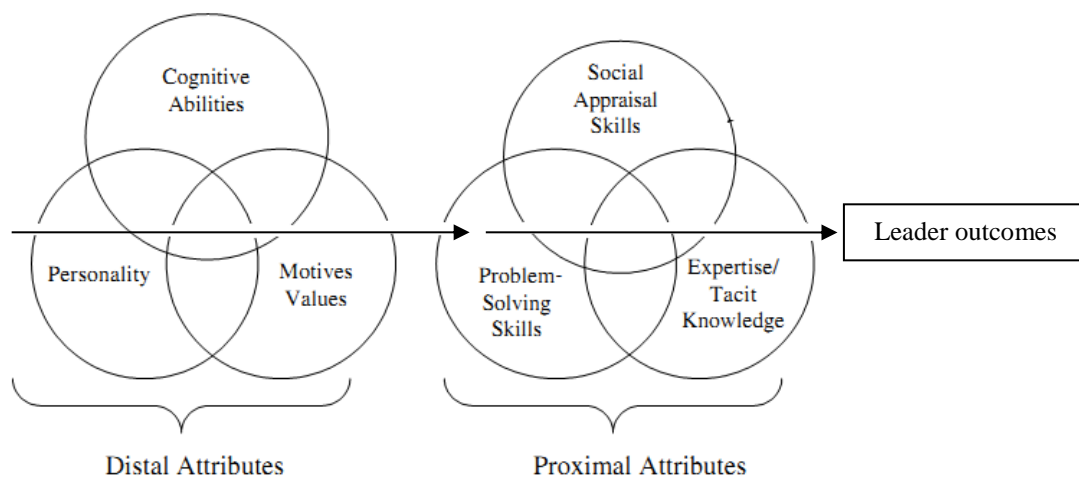
Figure 2.2: A model of leadership attributes

Note. From "Leader traits and attributes" by Zaccaro, S. J., Kemp, C., & Bader, P, *The Nature of Leadership* by J. Antonakis, A. T. Cianciolo & R. J. Sternberg, 2004, Thousand Oaks, p. 122.

Kirkpatrick and Locke's (1991) trait-behaviour view and Zaccaro et al.'s (2004) distal-proximal model reflect the integrative perspective that Antonakis, et al. (2004) see emerging leadership research. Studies using this integrative approach include multistage models (Mumford, Zaccaro, Harding, Jacobs, & Fleishman, 2000; Van Iddekinge, Ferris, & Heffner, 2009), process models (Antonakis, et al., 2012; Dinh & Lord, 2012), and integrative trait-behavioural models of leadership effectiveness (Derue, Nahrgang, Wellman, & Humphrey, 2011). In these more complex and advanced models, leader traits or attributes (i.e., personal characteristics) are integrated in their influences on leadership behaviours, processes, and outcomes.

Table 2.1 provides a summary of the characteristics of leaders identified by researchers adopting the trait approach. It illustrates the breadth of traits related to leadership but also represents a general convergence of research regarding salient leadership traits. In essence, the trait approach is concerned with what traits leaders exhibit and how they relate to leadership performance and outcomes. Trait researchers claim that leaders' personal characteristics or traits are pivotal in the leadership process and determine leader effectiveness (Northouse, 2007).

Table 2.1 A summary of leader characteristics

Stogdill (1948, 1974)	Mann (1959)	Lord, DeVader & Alliger (1986)	Kirkpatrick & Locke (1991)	Judge (2002)	Dubrin (2003)	Zaccaro et al. (2004)	Northouse (2007)
Intelligence	Intelligence	Intelligence	Drive:	Extraversion	Self-confidence	Cognitive capacities:	Intelligence
Alertness	Masculinity	Masculinity	*Achievement*	Agreeableness	Trustworthiness	*General intelligence*	Self-
Insight	Adjustment	Dominance	*Ambition*	Emotional	Extroversion	*Creative/divergent thinking*	confidence
Responsibility	Dominance		*Energy*	stability	Assertiveness	Personality:	Determination
Initiative	Extroversion		*Tenacity*	Openness	Emotional stability	*Extroversion*	Integrity
Persistence	Conservatism		*Initiative/proactive*	self-	Enthusiasm	*Conscientiousness*	Sociability
Self-confidence			Leadership motivation	evaluations	Sense of human	*Emotional stability*	
Sociability			Integrity & Honesty	Intelligence	Warmth	*Openness*	
Tolerance			Self-confidence	Charisma	Tolerance for	*Agreeableness*	
Influence			Cognitive ability	Narcissism	frustration	*Intuition*	
Cooperativeness			Task knowledge	Hubris	Passion for work	Motives and needs:	
Achievement			Other traits:	Dominance	Emotional	*Need for power*	
			Charisma	Machiavellism	intelligence	*Need for achievement*	
			Creativity/originality		Flexibility and	*Motivation to lead*	
			flexibility		Adaptability	Social capacities:	
					Internal locus of	*Self-monitoring*	
					control	*Social intelligence*	
						Emotional intelligence	
						Problem-solving skills	
						Expertise and Knowledge	

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Implicit Leadership Theory

Implicit leadership theory (ILT) defines leadership as "the process of being perceived as a leader" (Lord, et al., 1984, p. 344). It examines the content and structure of people's cognitive categories to distinguish perceived leaders from non-leaders (Lord, et al., 1984). Essentially, ILT describes ideal instances or "prototypes" of leadership (Lord, et al., 1986).

Perceptions of leadership are a pervasive phenomenon (Lord & Maher, 1993). Although leadership scholars may not agree on what leadership actually is, people generally appear to understand the term with little difficulty and are readily able to identify leaders. Individuals have their own unique perceptions of the nature of leaders and leadership, and use their own "naïve" or subjective theories (beliefs, convictions, and assumptions) to describe and judge leaders' qualities (Hartog, House, Hanges, Ruiz-Quintanilla, & Dorfman, 1999; Offermann, et al., 1994). These personal conceptualizations and categorisations or "implicit" leadership theories reflect widely-shared beliefs about leader behaviours and traits (Eden & Leviatan, 1975; Weiss & Adler, 1981). Offermann, et al. (1994, p. 45) contend that implicit theories can assist "in the development of explicit theories to understand the phenomenon called leadership".

ILT describes a cognitive pattern-matching process based on prototypical images of leadership (Lord, et al., 1984; Lord, Shondrick, & Dinh, 2010). These leadership prototypes not only distinguish leaders from non-leaders and effective leaders from ineffective ones, but also identify different types or kinds of leaders (Lord, et al., 1984; Lord & Maher, 1993). For example, Lord, et al. (1984) propose a three-level hierarchy of leadership prototypes. In the superordinate category, leaders are distinguished from non-leaders. The second "basic" level comprises contextually-defined types of leader (e.g., business leader, military leader, or religious leader). The third subordinate level contains abstract prototypes (e.g., visionary or operational organisational leaders) or exemplar representations based on specific people (i.e., a Bill Gates or Steven Ballmer 'type' of business leader).

ILT has been a major impetus in the information-processing perspective that has gained growing interest in leadership research (Antonakis, et al., 2004; Lowe & Gardner, 2000; also refer to Figure 2.1). The information-processing school of leadership seeks to understand how "a leader is legitimized by virtue of the fact that his or her characteristics match the

prototypical expectation" that individuals have of leadership (Antonakis, et al., p. 9), similar to ILT's focus on leadership perceptions and attributions (Lord, et al., 1984).

The ILT and information-processing schools illustrate a trend over the last two decades in which "leadership research has been rejuvenated by a variety of new theories sharing a common recognition that leadership is a perceptual phenomenon" (Gardner & Awamleh, 1999, p. 345). In this viewpoint, a leader's influence is ultimately determined by followers' perceptions. This is an increasingly influential perspective. For example, Erakovich and Nichols (2013) have recently connected components of authentic leadership theory to implicit leadership theory, suggesting that "authentic leadership is not a paradigm within itself, but must be studied in conjunction with effective leadership and implicit theory to discover the contribution to positive organisational outcomes" (Erakovich & Nichols, 2013, p. 191).

This study aims to use implicit leadership theory to study another emerging leadership construct, entrepreneurial leadership, as a perceptual process rather than an objective phenomenon.

2.1.2 Entrepreneurship research

The term "entrepreneur" is derived from the French word "entreprendre" (literally "to undertake") and is used to identify people who take higher levels of risk in creating business value or innovating (Cunningham & Lischeron, 1991). A contemporary definition describes a person "who seeks to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets" (Ahmad & Hoffman, 2007, p. 4). Hisrich and Peters (1998) examine the phenomenon of entrepreneurship from business, managerial, and personal perspectives, concluding that entrepreneurs are found *in all professions*. Morris, et al. (2008, p. 10) define entrepreneurship as "the process of creating value by bringing together a unique combination of resources to exploit an opportunity". This implies that entrepreneurs are opportunity-driven and entrepreneurship can be applied *in any organisational context.*

Cunningham and Lischeron (1991) identify six schools of thought on entrepreneurship: the "great person"; psychological characteristics; classical; management; leadership; and intrapreneurship schools.

Two of these six schools are especially relevant to this study of personal characteristics of entrepreneurial leaders. First, the psychological perspective focuses on the entrepreneurs' personality, identifying the unique traits and values of entrepreneurs. For example, entrepreneurs may be distinguished from non-entrepreneurs by their personal values (ethical behaviour, honesty and duty); need for achievement; tolerance of ambiguity; propensity for risk-taking; and locus of control. Second, the leadership school suggests entrepreneurs should appeal to others to "join the cause": a successful entrepreneur should also be a leader who directs, motivates and leads others. In this school, entrepreneurial leaders "can be a focal point for change and inculcating values" (Cunningham & Lischeron, 1991, p. 53).

Entrepreneurial Characteristics

Psychological school scholars such as Cooper and Dunkelberg (1987) and Becherer, et al. (2008) believe entrepreneurs possess distinctive personality traits and characteristics. Carland, Carland, and Stewart (1996) identify risk-taking as the earliest labelled characteristic. Risk includes both financial risk and non-financial factors such as career prospects and family relations (Liles, Stevenson, Roberts, & Grousbeck, 1994). Schumpeter (1934) described entrepreneurs' defining characteristic as innovation, and Carland, Hoy, Boulton, and Carland (1984) see innovation as distinguishing entrepreneurs from small business owners or managers.

However, Carland, et al. (1996, p. 3) observe that "perhaps the most ubiquitous entrepreneurial characteristic is the need for achievement". McClelland (1976) identified need for achievement as a major factor in career choice, for example, a person can choose to be a policeman, a salesman, or an entrepreneurial business owner according to their need for achievement and its effect on the desire for entrepreneurial action and position. Carland, et al. (1996) also consider intuition as a core entrepreneurial characteristic in their study of entrepreneurs. Entrepreneurs with less intuition may be less creative and more concrete and practical in their approach to entrepreneurship.

Vecchio (2003) proposes a "Big Five" set of personality factors in entrepreneurship: propensity for risk-taking, need for achievement, need for autonomy, self-efficacy and locus of control. Vecchio (2003) also identifies *over*confidence as a typical entrepreneurial characteristic. While entrepreneurs are expected to demonstrate a high level of optimism (Cooper, 1988), overconfidence results in failure when it appears as hubris (Vecchio, 2003).

Many other characteristics besides risk, innovation, need for achievement, autonomy, self-efficacy, locus of control and overconfidence have been proposed. Kao (1991) identifies 11 personal characteristics, Morris, et al. (2008) list 16 common traits or characteristics, and Kuratko and Hodgetts (1998, p. 101) present the 17 most often cited characteristics but note "new characteristics are continually being added to this ever growing list". Table 2.2 summarise the characteristics identified in major entrepreneurship studies. As with trait theories, there are overlaps between the different proposed sets of entrepreneurial characteristics.

In this study the entrepreneur characteristics in Table 2.2 and the leader characteristics in Table 2.1 were combined and in choosing a conceptual model of "common characteristics" for this study, as detailed in Chapter 3.

Table 2.2: A summary of entrepreneurial characteristics

Begley and Boyd (1987)	Vecchio (2003)	Perren (2002)	Morris, et al. (2008)	Kuratko and Hodgetts (1998)
Need for achievement	Risk-taking	Risk acceptance	Drive to achieve	Commitment / Perseverance
Locus of control	Need for achievement	Innovation	Internal locus of control	Drive to achieve
Risk-taking propensity	Need for autonomy	Personal drive	Calculated risk taking	Opportunity orientation
Tolerance of ambiguity	Self-efficacy	Belief in Control	Tolerance of ambiguity	Initiative
Type A behaviour	Locus of control	Ambiguity tolerance	Commitment / Perseverance	Responsibility
	Overconfidence/hubris	Need for dependence	Independence	Persistent problem solving
		Opportunity-seeking	Self-confidence / Optimism	Seeking feedback
Carland, et al. (1996)	**Kao (1991)**	Intuitive	Tolerance for failure	Internal locus of control
Risk taking	Commitment / Perseverance	Vision	Persistent problem solving	Tolerance of ambiguity
Creativity & Innovation	Drive to achieve and grow	Self-confidence	Opportunity orientation	Calculated risk taking
Need for achievement	Opportunity & Goal orientation	Takes responsibility	Integrity and Reliability	Integrity and Reliability
Intuition	Initiative & Responsibility	Resource marshalling	High energy level	Tolerance for failure
	Persistent problem solving	Value adding	Resourcefulness	High energy level
	Realism and a sense of humour	Good networkers	Creativity and innovativeness	Creativity / Innovativeness
	Seeking and using feedback	Capacity to inspire	Vision	Vision
	Internal locus of control	Growth orientation	Team building	Self-confidence / Optimism
	Calculated risk taking	Diligent		Independence
	Low need for status and power	Pro-activity		Team building
	Integrity and Reliability			

2.1.3   The intersection of entrepreneurship and leadership

Leadership and entrepreneurship are both multifaceted phenomena embedded in social, cultural, environmental and economic contexts. The academic study of leadership is currently seen as a "mature field" (Hunt & Dodge, 2000), while entrepreneurship research is considered an emerging field (Busenitz et al., 2003). In the past decade, researchers in both fields have endeavoured to merge the two concepts into an integrated model of entrepreneurial leadership (Fernald, Solomon, Tarabishy, & Sashkin, 2005b).

Cogliser and Brigham (2004) provide a comprehensive study of the intersection of leadership and entrepreneurship. They identify several areas where the two fields converge theoretically, and compare research approaches over the life cycles of the two fields. The primary categories of thematic overlap identified are vision, followers' influence, leading creative people and planning. Cogliser and Brigham (2004, p. 775) conclude that the characteristics of entrepreneurs substantially overlap with those of leaders "who lead in an extraordinary situation". This overlap is also the main focus of the present study.

Similarly, Vecchio (2003) holds that leadership and entrepreneurship share "common trends and common threads". He proposes four promising avenues for future research: followership, social intelligence and social capital, substitutes and neutralisers of entrepreneurship, and training and development. Unlike Cogliser and Brigham (2004), Vecchio (2003, p. 320) sees entrepreneurship as a subset of leadership, observing that "founders also serve as leader/managers during the entire process, and are engaged continuously in the creation of the firm's culture". He concludes that:

> It is more cogent and parsimonious to view entrepreneurship as simply a type of leadership that occurs in a specific setting and … a type of leadership that is not beyond the reach or understanding of available theory in the areas of leadership and interpersonal influence. (Vecchio, 2003, p. 321)

Becherer, et al. (2008, p. 13) also see the two concepts as closely linked: "entrepreneurship and leadership may flow from the same genealogical source and the appearance of separation of the two constructs may be due to differences in the contexts through which the root phenomenon flows". They suggest researchers focus on the combinations or hierarchies of traits, and identify trait variables underlying entrepreneur and leader behaviour. The

significant overlap between these suggests a new construct, "a style of contemporary leadership termed 'entrepreneurial leadership'" (Becherer, et al., 2008, p. 19).

Siddiqui (2007) also finds the concepts of entrepreneurship and leadership strongly related but like Vecchio (2003) sees leadership as the more important concept:

> Entrepreneur and entrepreneurship do not appear in the leadership literature but leadership appears in the literature of entrepreneurship. It may be argued that entrepreneurship is not perceived as a necessary part of leadership success, but leadership is an element of entrepreneurial success. (p. 37)

Despite differences, studies of the intersection of these two concepts show that on one hand leadership is vital to the growth and success of entrepreneurial ventures (Cammarano, 1993), and on the other hand a leader is increasingly also expected to be entrepreneurial (El-Namaki, 1992). Hence, the fusion of leadership and entrepreneurship for a third concept is beneficial. All the authors above identify entrepreneurial leadership as a new concept of leadership, "an interdisciplinary field of study which integrates entrepreneurship with leadership to create something of enormous worth" (Siddiqui, 2007, p. 38).

2.2   Entrepreneurial Leadership

Lippitt (1987, p. 5) defined entrepreneurial leaders as those who are "able to take risks, innovate, focus on the task, assume personal responsibility, and possess an economic orientation". This appears to be the earliest definition of entrepreneurial leadership (Fernald, et al., 2005b). Subsequently, McGrath and MacMillan (2000) in their book *The Entrepreneurial Mindset* called for a new form of business leader – an entrepreneurial leader – to lead organisations facing intensive competitiveness and uncertainty in a turbulent time. Their work ignited leadership researchers' interest in entrepreneurial leadership.

Deluca (2003, p. 104) describes entrepreneurial leadership as a "catamaran-like vessel" that evolved from the hulls of the two ships of leadership and entrepreneurship: "a catamaran uses two hulls, connected by overlapping structures, to move much faster with the winds of change than either hull alone can move". Grant (1992) uses another metaphor, the troika, a Russian vehicle pulled by a team of three horses, to emphasise that equal attention should be

given to the constituent parts of entrepreneurial leadership: the leader, the follower and external influences. To date, however, this emerging field has focused mainly on the leader.

Entrepreneurial leadership has emerged as an important construct in both leadership and entrepreneurship fields, providing a novel perspective on effective leadership in both individual entrepreneurs and corporate managers (Becherer, et al., 2008). Increasingly researchers have made this emerging field a "new paradigm" (Fernald, et al., 2005a). Two important studies are examined in detail in the following sections, and several others briefly reviewed for their views on the personal characteristics of entrepreneurial leaders.

2.2.1   Gupta et al.'s (2004) five-role model

Gupta, et al. (2004) developed a framework of entrepreneurial leadership in organisational settings. They clarified the concept and validated its effectiveness using data originally collected for the GLOBE project (Global Leadership and Organizational Behavior Effectiveness) (House, Hanges, Javidan, Dorfman, & Gupta, 2004). Their model and findings are widely used in other entrepreneurial leadership studies, including Siddiqui's (2007) trait determinants model, Prieto's (2010) proactive personality model and Kempster and Cope's (2010) study of leadership learning in the entrepreneurial context.

Gupta, et al. (2004, p. 242) define entrepreneurial leadership as "leadership that creates visionary scenarios that are used to assemble and mobilize a 'supporting cast' of participants who become committed by the vision to the discovery and exploitation of strategic value creation". Based on the GLOBE data they propose a model of entrepreneurial leadership based on five leadership roles, two dimensions of leadership challenge and 19 specific leadership attributes (Table 2.3).

Table 2.3: Five roles and attributes of entrepreneurial leadership

Leadership Challenge	Leadership Roles	Attributes
Mobilizing the resources (Scenario enactment)	Framing the challenge	1. Performance-oriented 2. Ambitious 3. Informed 4. Insightful / Intuitive
	Absorbing uncertainty	5. Visionary 6. Foresight 7. Confidence builder
	Path clearing	8. Diplomatic 9. Effective bargainer 10. Convincing 11. Encouraging
Gaining the commitment (Cast enactment)	Building commitment	12. Inspirational 13. Enthusiastic 14. Team builder 15. Improvement-oriented
	Specifying limits	16. Integrator 17. Intellectually stimulating 18. Positive 19. Decisive

Note. From "Entrepreneurial leadership: Developing and measuring a cross-cultural construct" by V. Gupta, I. C. MacMillan, & G. Surie, 2004, *Journal of Business Venturing, 19*(2), p. 250.

Gupta, et al. (2004) use their model to relate entrepreneurial leadership to three other leadership concepts: transformational, team-oriented, and values-based leadership. Characteristics such as foresight, intellectual stimulation, confidence-building and an incisive and positive frame of mind are common to entrepreneurial and transformational leaders, but the former place more emphasis on calculative action rather than on lofty ideals, even being viewed as "antihero-like" (Gupta, et al., 2004, p. 254). Like team-oriented leaders, entrepreneurial leaders are effective at team-building and bargaining, but entrepreneurial leaders tend to emphasise opportunity exploitation over intra-group relationships. Both values-based and entrepreneurial leaders stress the importance of intuition. However, where value-based leaders largely rely on moral ideology, entrepreneurial leaders engage followers by pursuing opportunities and achieving results that create wealth. Entrepreneurial leaders also "eschew conventional perspectives and values to arrive at creative solutions, often the result of unorthodox thinking" (Gupta, et al., 2004, p. 256). Therefore, entrepreneurial leaders are often perceived as creative, unconventional and even radical.

2.2.2   Common characteristics models of entrepreneurial leadership

Similar to Gupta et al.'s (2004) approach are two models derived from a thorough *theoretical* examination of the intersection of the concepts of entrepreneur and leader. These are called "common characteristics" models in this study. Fernald, et al. (2005b, p. 6) define an entrepreneurial leader as "an enterprising, transformational leader who operates in a dynamic market that offers lucrative opportunities". They conclude that successful leaders and entrepreneurs have common behavioural characteristics including strategic planning, a willingness to accept risks, timely decision-making, problem-solving skills and good negotiating skills. They attribute entrepreneurial behaviour to individuals' personality, similar to a common view of leadership. Therefore, a set of personality characteristics common to leaders and entrepreneurs can be used to describe entrepreneurial leaders. Fernald et al.'s (2005a) model identifies eight common characteristics: visionary, risk-taker, achievement-orientated, able to motivate, creative, flexible, persistent, and patient.

Like Fernald et al. (2005a), Perren (2002) identified personal attributes common to the concepts of leadership and entrepreneurship. Four common 'building blocks' are personal drive, innovation, vision and risk acceptance. Entrepreneurship was more related to characteristics such as belief in control of environment, uncertainty tolerance, need for autonomy and pursuit of opportunities. Leadership, in contrast, was more associated with communication and social skills, dependability, ability to motivate, honesty and integrity, and several other attributes that entrepreneurs may lack. Perren (2002) concludes that entrepreneurs need leadership qualities and leaders need entrepreneurial spirit.

The present study used the 'common characteristics' approach of Fernald, et al. (2005a) and Perren (2002) to form a conceptual model of ELs' personal characteristics. Both previous studies identified such characteristics by systematically reviewing the two bodies of literature on leadership traits and entrepreneurship traits to identify the overlap. Fernald et al recorded the characteristics associated with successful leaders and entrepreneurs in 136 journal articles, books and academic papers. Table 2.4 shows these characteristics and highlights the eight that fell in both categories. The authors suggest other traits may be needed and structured interviews should be used to more precisely determine ELs' characteristics.

Table 2.4: Characteristics of entrepreneurs and leaders (Fernald et al., 2005a)

Entrepreneurial Characteristics	Leadership Characteristics
Able to motivate (3)	Able to communicate (12)
Achievement orientated (15)	Able to listen (9)
Autonomous (6)	Able to motivate (15)
Creative (10)	Able to work with others (7)
Flexible (2)	Achievement orientated (7)
Highly tolerant of ambiguity (5)	Charismatic (13)
Passionate (3)	Committed to mission (7)
Patient (1)	Creative (5)
Persistent (3)	Flexible (6)
Risk-taker (24)	Honest and sound (12)
Visionary (6)	Patient (3)
	Persistent (2)
	Risk-taker (6)
	Strategic thinker (5)
	Trustworthy (12)
	Visionary (29)

Note. From "A new paradigm: Entrepreneurial leadership" by Fernald et al., 2005, *Southern Business Review, 30*(2), p.6.

Perren analysed a wide range of well-cited publications on leadership and entrepreneurship, ranking the 'building blocks' of each concept according to their citation frequency. Next, the highest-cited elements of each group were shortlisted and compared, leading to list of common items and items unique to one category (Figure 2.3). Entrepreneurs and leaders were found to share three characteristics: personal drive, innovation and vision, and risk acceptance, similar to Fernald et al.'s characteristics of achievement orientation, creativity and risk-taking.

```
    Entrepreneurship          Leadership


                                    Communication and Social
                                    Skills

                                    Dependability
   Belief in control of events
                                    Ability to Motivate
                      Innovation and Vision
                                    Honesty and Integrity
   Ambiguity tolerance
                      Personal Drive  Inspiring Trust

   Need for Independence            Intelligence and Cognitive
                      Risk Acceptance  Ability

   Identification of Market          Knowledge of Business
   Opportunities
                                    Genuine Interest in Others

                                    Team Orientation
```

Figure 2.3: Comparison of the conceptual building blocks of entrepreneurship and leadership

Note. From "Comparing Entrepreneurship and Leadership: A textual analysis" by L. Perren, 2002, *The Council for Excellence in Management and Leadership,* Retrieved from http://www.managementandleadershipcouncil.org/downloads/r6.pdf, p.7.

The present study used this approach but followed Fernald et al.'s suggestions to consider a broader range of characteristics and to use empirical evidence rather than literature. A questionnaire concerning the characteristics of entrepreneurs, leaders and entrepreneurial leaders was used to identify the perceptions of individuals who identified as, or had knowledge of, the three categories of business manager.

2.2.3 Personal characteristics of entrepreneurial leaders

In addition to Gupta et al.'s (2004) five-role model and Fernald et al.'s (2005a) and Perren's (2002) common characteristics models, several other authors have identified personal characteristics of ELs. In their text, DuBrin and Dalglish (2003) observe that many entrepreneurs display a similar leadership style, developed from both personality and

experience. This entrepreneurial leadership style has eight characteristics: (1) Strong achievement drive and sensible risk taking; (2) High degree of enthusiasm and creativity; (3) Tendency to act quickly when opportunity arises; (4) Constant hurry combined with impatience; (5) Visionary perspective; (6) Dislike of hierarchy and bureaucracy; (7) Preference for dealing with external customers; and (8) Eye on the future (DuBrin & Dalglish, 2003, p. 132).

Nicholson (1998) provided a personality profile of entrepreneurial leaders by studying the executive founders of UK's top independent companies, using the 'Big Five' personality instrument. His findings show entrepreneurial leaders as unique in character and motive. Contrary to the conventional view of open-minded risk-takers, they are single minded, thick-skinned, dominating people. ELs are "stress-resistant, unselfconscious, assertive, non-experimental in their actions, conscientious, conformist and competitive ... The image is not always comfortable, what could be summarised as an emotionally armour-plated single-mindedness … but it suggests we need them, to do what we might choose not to" (Nicholson, 1998, pp. 537, 539). This view has some overlaps with the personal characteristics models above but many differences.

Vecchio's (2003) stage model of entrepreneurial leadership incorporates both psychological and economic factors, and considers some psychological factors more critical than others at certain stages. As in Nicholson's (1998) perspective, the attributes of ELs are not uniformly positive. For instance, overconfidence might highlight the possibility of a promising start-up but could also turn accumulated success into failure at a later stage of the venture's growth.

Antonakis and Autio (2007) also propose a stage model, in which openness to experience, risk taking and achievement motivation are the most important EL attributes in the early start-up stage. However, when the organisation grows to a consolidation stage, need for power becomes the best predictor of success. Other core characteristics are important in all three stages, including extraversion, general intelligence, self-efficacy and locus of control.

Lippitt (1987) also focuses on small business in identifying entrepreneurship as a unique aspect of leadership. He proposes six behavioural characteristics of ELs: risk-taking, divergent thinking, sharp focus, personal responsibility, economic orientation, and learning from experience.

Lippitt's (1987) focus on small business founders has not been followed up by leadership researchers, as Jensen and Luthans (2006a) note:

> Even though the founder/entrepreneur has justifiably received significant attention in the organizational culture, strategy, and entrepreneurship literature, other than the study of leadership in family owned businesses which has a predominant focus on management succession issues (e.g., Spinelli and Hunt, 2000) and research focused on top management teams (e.g., Ensley and Pearce, 2001), very little indirect and no direct research attention has been given to the founder as a leader affecting the work attitudes and happiness of his/her employees. (Jensen & Luthans, 2006a, p. 650)

The management consulting firm Ernst & Young (2011) examined "the world's most successful entrepreneurs", in developing a model of the intrinsic and extrinsic characteristics of ELs' mindset and abilities. This model has three core traits - opportunistic mindset, acceptance of risk and failure, and locus of control – underlying a set of behaviours including vision, drive, tenacity, persistence, passion and focus, business knowledge, resilience, integrity, flexibility.

Entrepreneurial leadership in large organisations has primarily been studied under the label of "corporate entrepreneurship". Kuratko and Hornsby (1999, p. 28) see this as a "new 'corporate revolution' [representing] an appreciation for a desire to develop entrepreneurial leadership within the corporate structure". They describe corporate entrepreneurship as an interaction between organisational characteristics, precipitating events and ELs' individual characteristics. The latter include risk-taking propensity, desire for autonomy, need for achievement, goal orientation, and internal locus of control.

Kuratko (2007b) subsequently developed a concept of entrepreneurial intensity (EI) to assess the level of entrepreneurship in a company. EI has three dimensions: risk-taking, innovativeness and proactiveness. Kuratko (2007b) does not see the entrepreneurial perspective as an either-or characteristic, rather, "it is a variable. There is some level of entrepreneurial activity in every individual" (p. 4; also see Morris, 1998, p. 37). EI measures this variable in an individual (or an organisation), as a "level of entrepreneurial activity that forms the basis for assessing entrepreneurial leadership" (Kuratko, 2007b, p. 5).

Prieto (2010) suggests entrepreneurial leaders are needed to lead innovation and take risk in the workplace in organisations as they seek to become more sustainable and competitive. In

advocating the trait approach for selecting entrepreneurial leaders, Prieto (2010, p. 109) highlights proactive personality, the propensity to take initiative to make change in one's current environment, as "[fitting] well conceptually with the current emphasis on entrepreneurial leadership".

Finally, Cohen (2004) differentiates executives from other ELs in large organisations. Top executives have broad responsibilities and as ELs must be *visionary* and skilled in motivating others to share their vision. Other ELs are able to pursue opportunities for constructive *change*. Cohen (2004) advocates a new leadership culture incorporating both kinds of entrepreneurial leadership. However, "entrepreneurial leadership is not contagious. In fact, it's [entrepreneurial leadership] rejected by the large organization in much the same way that the human body can reject a transplanted organ" (Cohen, 2004, p. 19). Therefore, the development of entrepreneurial leadership in large organisations presents a real challenge for both leadership and entrepreneurship scholars and educators. This theme is echoed in the findings reported below.

2.2.4 Summary

A very wide variety of personal characteristics have been identified in the literature. Gupta, et al. (2004) drew their list from a larger list of leadership characteristics, while Fernald, et al. (2005a) and Perren (2002) produced common characteristics models from theoretical exploration of the literatures on entrepreneurship and leadership. A wide range of less rigorous or more focussed studies have contributed yet other characteristics and perspectives. Table 2.5 summarises the most important characteristics of entrepreneurial leadership.

Table 2.5: A summary of entrepreneurial leader characteristics

Gupta, et al. (2004)	Fernald, et al. (2005a)	Nicholson (1998)	DuBrin and Dalglish (2003)	Becherer, et al. (2008)
Performance-oriented	Visionary	Single minded	Strong achievement drive	Vision
Ambitious	Risk-Taker	Thick-skinned	Sensible risk taking;	Creativity / Innovation
Informed	Achievement-	Dominating	Enthusiasm	Achievement-orientation
Insightful / Intuitive	Orientated	Stress-resistant	Creativity	Tenacity
Visionary	Able To Motivate	Unselfconscious	Opportunity orientation	Self-confidence
Foresight	Creative	Assertive	Impatience	Power-orientation
Confidence builder	Flexible	Non-experimental	Visionary	Pro-activity
Diplomatic	Persistent	conscientious	Dislike of hierarchy and bureaucracy	Risk-taking
Effective bargainer	Patient	Conformist	Customers-oriented	Locus of control
Convincing		Competitive	Eye on the future	
Encouraging				
Inspirational				
Enthusiastic	**Perren (2002)**	**Deluca (2003)**	**Antonakis and Autio (2007)**	**Swiercz and Lydon (2002):**
Team builder	Vision	Speed	Extraversion	Intellectual integrity
Improvement-oriented	Risk acceptance	Risk	Achievement motivation	
Integrator	Personal drive	Innovation	Need for power	**Prieto (2010):**
Intellectually	Innovation			Pro-activity
Stimulating				
Positive				**Vecchio (2003):**
Decisive				Overconfidence / Hubris

2.3 Ethical Leadership and Entrepreneurial Ethics

Ethics is a philosophical term meaning custom, character, or mode of conduct (Kakabadse & Kakabadse, 1999, p. 376). In a broad sense, ethics provide the basic principles for acting in a socially accepted manner. Specifically, ethics represents a set of rules defining what is good or bad and right or wrong. Ethics includes moral duty and obligations (Kuratko & Hodgetts, 1998, p. 149) and is concerned with the goals people and society ought to pursue (Armstrong & Muenjohn, 2008). In essence, ethics "provides a basis for understanding what it means to be a morally decent human being" (Northouse, 2007, p. 342).

According to Francis (2000), although the terms ethics and morals are often used interchangeably, there are fine distinctions: ethics concerns explicit codes of conduct as well as value systems while morals refers to the standards held by the community and are often not explicitly articulated. However, Ciulla (2003) argues that historically the two terms have been used as synonyms of each other, regardless of their roots in different languages (the word ethics is from Greek *ethikos*, whereas the word moral is from Latin *morale*), and they are still commonly used to define each other in modern dictionaries. Therefore in her research on leadership ethics, Ciulla (2003, p. 303) declares that "like most philosophers, I use the terms interchangeably". For practical purposes, the two terms are also used as synonyms in this study.

2.3.1 Ethical leadership

In regard to leadership, ethics concerns leaders' action or conduct and personality or character (Northouse, 2007). That is, leadership ethics is concerned with leaders' behaviour and virtuousness, and it guides leaders' decision-making (Northouse, 2007). The practice of leadership ethics involves not only personal moral behaviour but also moral influence; that is, leaders are responsible for the ethical behaviour of others in the organisation (Johnson, 2009). Ethics is essential to leadership because of the nature and significance of this influence process. However, as Northouse (2007) notes, there are only a small number of studies on the theoretical foundations of leadership ethics and this is an area of research still in its early stage of development. Ciulla (2004, p. 323) also notes that "Leadership ethics is still new and the approaches to it are quite fragmented". Recently, interest in ethical leadership has grown

exponentially in both the business world and academia (see Aronson, 2001; Ciulla, 2004; Johnson, 2009; Kanungo & Mendonca, 2007; Trevino, Brown, & Hartman, 2003).

Brown and Treviño (2006, p. 595) developed a construct of ethical leadership, defined as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making". Although their surveys suggest ethical leadership is not rare, they warn of increasing cynicism amongst employees in many organisations where "ethically neutral" leadership prevails. For Brown and Treviño (2006) ethically neutral leadership is not *un*ethical but simply does not have a proactive, clearly ethical approach to leadership: leaders may be personally ethical but fail to promote ethics in their followers and organisations (Trevino, et al., 2003; Trevino, Hartman, & Brown, 2000). Leadership researchers should pay more attention to how such leaders can be encouraged to take a more proactive approach.

This may involve understanding how ethical leaders balance ethics with pragmatism. Trevino, et al. (2003, p. 31) claim that ethical leaders are not particularly extraordinary or heroic and ethical leadership "is more common than the media would lead us to believe". How such leaders meet business goals while remaining socially responsible is a growing focus of research. Brown and Treviño (2006) suggest ethical leaders are driven by more pragmatic concerns and tend to use influence mechanisms associated with a transactional leadership style to influence followers' ethical conduct.

Ciulla (2005) sees the relationship between effectiveness and ethics as the core of ethical leadership, such that leaders should not be considered effective if they are not ethical. Addressing the same concern, Brown (2007) describes the perceived incompatibility of ethics and effectiveness in leadership as a misconception. He dismisses the common belief that business leaders must compromise ethical principles in order to get ahead, stressing that ethical leaders can be effective and effective leaders can be ethical.

Ethical leadership is typically studied from a normative or philosophical perspective concerning what leaders ought to do (e.g., Ciulla, 2003, 2004, 2005). Only a few scholars have taken the descriptive approach of examining ethical leaders' behaviour (Brown, 2007; Brown & Treviño,

2006). Brown and Treviño (2006), for example, see ethcial leadership as an outcome of both the leader's individual characteristics (e.g., personality traits, cognitive ability of moral reasoning, motivition) and situational influences (i.e., ethical context, moral intensity, ethical role models).

One of the research questions in the present study concerns how leaders balance pragmatism or effectiveness with ethics. This is studied by asking participants to describe how ELs approach such issues.

2.3.2   Entrepreneurial ethics

The subject of entrepreneurs' ethics touches the very core of business ethics since entrepreneurship and ethics are often seen to be divided by "an unbridgeable gap" (Wempe, 2005, p. 218) or to present a "love-hate dilemma" (Fisscher, Frenkel, Lurie, & Nijhof, 2005). On the one hand, entrepreneurs contribute greatly to society by creating new products and employment opportunities but on the other hand they are seen to compromise moral values for the pursuit of personal success and business value (Fisscher, et al., 2005).

Entrepreneurs today encounter uniquely challenging ethical problems. Corporate entrepreneurs may have to make decisions or take action without moral guidance (Kuratko, 2007b), and similarly start-up business owners often encounter unfamiliar ethical issues (Hannafey, 2003). Entrepreneurial leaders therefore need to learn new approaches to dealing with ethical issues.

Entrepreneurs' personality characteristics may influence their reasoning and attitudes to ethical issues (Hannafey, 2003). Entrepreneurs appear to rationalise some ethical behaviours that others view more critically (Longenecker, Moore, & McKinney, 1988) and to have a "powerful bias for action" that encourages avoiding ethical considerations in business decisions Bhide (1996, p. 130).

However, while entrepreneurs are often criticised for eschewing ethics in their vigorous pursuit of goals and "the relationship between entrepreneurship and ethics has largely been characterized as antithetical" (Surie & Ashley, 2008, p. 235), an alternative view exists in which ethics and entrepreneurial effectiveness are not necessarily conflicting. Wempe (2005, p. 218) sees a resolution of this tension in "ethical entrepreneurship" which demands "a dual conceptual shift: from monism to a pluralism of values … and from a defensive to a proactive approach" by which

an entrepreneur can *exploit* conflicting values to create new outcomes that have more value to the community. In ethical entrepreneurship, ethics are *part of* a company's core business rather than outside the boundary of entrepreneurship.

A second example of this 'integrative' approach is Jacob's (2004) pragmatist approach to business ethics. Based on philosophical theories of pragmatism, a pragmatist approach is characterised by ethical pluralism and consideration of the objective social consequences of a leader's actions. It integrates ethics and effectiveness through a leader's personal growth and learning from experience, in which a leader learns to reconcile means and ends through a case-by-case inquiry into his or her moral choices and their consequences.

2.3.3 Surie and Ashley's (2008) model of pragmatism and ethics in entrepreneurial leadership

Surie and Ashley (2008) also take an integrative approach in their model of pragmatism and ethics in entrepreneurial leadership. They see reconciling pragmatism and ethics at the heart of entrepreneurial leadership, given ELs' dual aims of creating business value and gaining commitment through social legitimacy, trust and influence. Surie and Ashley (2008) argue that leadership theories generally over-emphasise moral ideology or justification while downplaying the pragmatic or problem-solving aspect. The common view assumes that "moral appeals are sufficient to elicit desired behaviour" and concentrates "on the expressive aspects of leadership rather than on concrete activities" (Surie & Ashley, 2008, p. 236). Entrepreneurial leaders are by definition "pragmatic and focused on problem-solving and value creation in the market" (Surie & Ashley, 2008, p. 236) and their approach to ethics must also be pragmatically grounded.

As a philosophical approach pragmatism emphasises action and experimentation, features expected in entrepreneurial leaders. "Pragmatism in ethics extends an action-oriented problem-solving approach to the moral arena by rejecting epistemological assumptions about the nature of truth, objectivity and rationality, and emphasising practice over theory" (Surie & Ashley, 2008, p. 238). A pragmatic approach to ethics implies that ELs value their long-term credibility over short-term solutions (Surie & Ashley, 2008).

Surie and Ashley (2008) illustrate their model of pragmatic ethics with four case studies in which an EL integrates ethics with leadership practice in highly entrepreneurial circumstances. However, they suggest future research using a large sample or a field study is required to confirm their model on a wider scale. The second research question of the present study specifically asks how EL business founders and corporate entrepreneurs integrate pragmatism with ethics.

2.4 Entrepreneurs and Leaders Attitudes to Failure

Leadership research is accused of having a "success bias" whereby most studies focus on "successful" leaders or leadership "best practice" and few explore leadership failures or leader's attitudes and coping strategies in the face of failures (Burke, 2006). Similarly, research on entrepreneurship failure is "dwarfed by the amount of research on entrepreneurial success" (Singh, Corner, & Pavlovich, 2007, p. 332), a paradox given the inherently risky nature of entrepreneurship. The present study addresses this gap by exploring entrepreneurial leaders' attitudes towards failure.

2.4.1 Entrepreneurial failure and entrepreneurs' positive attitudes to failure

Failure in entrepreneurship is pervasive and many entrepreneurs suffer multiple failures before they succeed (Kuratko & Hodgetts, 2007; McGrath, 1999). However, although failure is a significant aspect of entrepreneurial activity, it is often overlooked and sometimes even viewed in a negative light by researchers (Politis & Gabrielsson, 2009).

Entrpreneurial failure varies in type and degree but encompasses bankruptcy and insolvency as well as personal mishaps and hardships (Shepherd, 2003; Shepherd, 2004; Shepherd, Wiklund, & Haynie, 2009). Generally a failure is defined as not achieving an expected result or end (Politis & Gabrielsson, 2009). For example, Cannon and Edmondson (2001, p. 162) see entrepreneurial failure as "deviation from expected and desired results" whether from avoidable errors or unavoidable outcomes of experimentation and risk-taking, and McGrath (1999, p. 14) defines failure as "the termination of an initiative that has fallen short of its goals". The attribution of "failure" also involves a subjective assessment of alternatives. For example, an entrepreneur

might disband a currently profitable business if long-term growth appears limited (McGrath, 1999). A more specific and objective view of entrepreneurial failure equates it with business closure.

Some degree of failure seems inevitable as entrepreneurial activities often involve high risk, complex obstacles and great uncertainty regarding outcomes (Shepherd, Douglas, & Shanley, 2000). Others point to hubris or over-confidence behind an entrepreneur's failure (Hayward, Shepherd, & Griffin, 2006; Vecchio, 2003). However, there is a noticeable confusion "entrepreneur failure" and "venture failure" in the literature (Cotterill, 2011). That is, a venture may fail but the entrepreneur need not. Habitual entrepreneurs are admired for their pluck and persistence in face of serial failures, a rarity in other arenas (Ucbasaran, Westhead, & Wright, 2011).

Politis and Gabrielsson (2009) observe that many entrepreneurs have a more positive attitude towards business failures than other people. A positive attitude helps entrepreneurs learn from their mistake and underpins their willingness to take risks, experiment and accept uncertainties, making entrepreneurs *resilient* (Politis & Gabrielsson, 2009). These attitudes are largely learned, as entrepreneurs develop greater acceptance of failure, tolerance of uncertainty and confidence through experience.

2.4.2   Leading in the face of failure

Spreitzer and Cummings (2001, p. 246) argue that in order to face the uncertainty of today's business environment leaders need to fail more, to learn through trial and error; "if leaders are not failing often enough, then they probably are not stretching themselves enough". In recognition of the inevitability of failure, Harvard Business Review (2011) published a widely-read special issue on coping with business failure. In this, Hogan and Dattner (2011) warn that poor response to failure can derail one's career, and urge that leaders need to increase self-awareness and constructively influence followers' attitudes to failure.

Farson and Keys (2002) observed a growing acceptance of failure in entrepreneurial firms, with executives increasingly viewing failure as a prerequisite to innovation. Such "failure-tolerant leaders" (Farson & Keys, 2002) help employees overcome the fear of failure and become

intelligent risk-takers. Failure-tolerant leaders do not just accept failure but actively encourage it, attitudes that go beyond traditional, simplistic views of failure as the opposite of success rather than a necessary part of it. Without failing "a person will never be able to take the risks necessary for innovation" (Farson & Keys, 2002, p. 66).

Kirkpatrick and Locke (1991) attribute tolerance of failure to leaders' self-confidence, which helps inspire self-confidence in followers. After a failure, a self-confident leader faces the reality and acknowledges his or her mistake, turning it into a learning experience, where less self-confident individuals are more defensive, failure-avoidant and risk-adverse (Kirkpatrick & Locke, 1991).

2.4.3 Resilience in entrepreneurship and leadership

So far ELs' attitudes to failure have not been specifically addressed in the literature. However, recent research on the broad concept of "psychological capital" and more specific studies of resilience offer some pointers.

Resilience refers to a positive adjustment to challenging conditions (Masten, 2001). Resilient people have the capacity to cope successfully in the face of significant change, adversity or failure. Resilience is seen as both an inborn trait and an acquired capacity that can be developed through life experience (Coutu, 2002; Masten, 2001; Youssef & Luthans, 2005). Studies of resilience began in clinical psychology but the recent positive psychology movement has created interest in resilience as a positive psychological capacity in organisational behaviour (Luthans, 2002). Resilient individuals are expected be more effective in a changing and uncertain environment (Block & Kremen, 1996; Cox & Camp, 2001; Jensen & Luthans, 2006b), although to date little research has addressed resilience in the workplace generally, or in entrepreneurs and leaders (Jensen & Luthans, 2006b).

Coutu (2002) identifies three common characteristics of resilient people: a staunch acceptance of reality; a deep belief that life is meaningful; and an uncanny ability to improvise. Jensen and Luthans (2006b) consider these characteristics particularly important relevant to entrepreneurial leaders. Jackson and Watkin (2004) see resilience as the ability to recognise one's own thoughts and belief structures and effectively manage their emotional and behavioural consequences.

Drawing on Goleman's (1998b) concept of emotional intelligence, they identify seven factors underpinning resilience: emotion regulation, impulse control, causal analysis, self-efficacy, realistic optimism, empathy, and reaching out. Jackson and Watkin (2004) discuss the use of these in a corporate resilience development program.

In the entrepreneurship literature, serial entrepreneurs are seen to call on their resilience in overcoming failure and starting a new venture. Hayward, Forster, Sarasvathy, and Fredrickson (2010) present a model of business founders' resilience in new ventures describing four categories of entrepreneurial resilience: emotional, cognitive, social and financial resilience. They describe resilience as a crucial to new venture success and suggest that it can even overcome the costs of entrepreneur overconfidence.

Resilience takes on greater importance in a contemporary business environment characterised by economic and moral or ethical setbacks (Avolio & Luthans, 2005). Stoltz (2004) similarly sees resilience as crucial to leaders in uncertain times. In learning to be more resilient, leaders also have a positive influence on others, serving as role models or actively coaching others, ultimately creating a resilient culture (Stoltz, 2004).

In recent authentic leadership theory resilience is combined with confidence, optimism and hope as the 'psychological capital' enabling leaders to develop genuine trust in followers. Authentic leadership has been considered a root construct underlying all positive forms of leadership (Avolio & Gardner, 2005). Despite this, resilience has been the subject of little empirical research in leadership. The third research question of the present study aims to provide exploratory evidence on how ELs are perceived to face risk and develop resilience.

2.5   Conclusion

The new field of entrepreneurial leadership studies can be traced to Lippitt's (1987) paper, and has recently begun to grow with a small number of conceptual and empirical studies (e.g., Fernald, et al., 2005a; Gupta, et al., 2004; Swiercz & Lydon, 2002) Conceptualisations of entrepreneurial leadership are still embryonic (Kempster & Cope, 2010) and raise many questions about entrepreneurial leaders' personal attributes, behaviours and effectiveness (Fernald, et al., 2005b).

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Research on both entrepreneurs and leaders has often used personal characteristics to predict their performance. Entrepreneurial leadership is also characterised in terms of personal attributes common to leaders and entrepreneurs. Two studies have identified such characteristics from content analyses of the literature, but no empirical studies have so far examined them. The only empirical study of ELs uses data extracted from a previous study of leadership and is limited by the conceptual categories chosen for that study.

Studies of ethics in entrepreneurs and leaders raise the question of how ELs integrate an entrepreneur's need for pragmatism with a leaders' need to develop trust and commitment through social legitimacy and hence ethical behaviour. Researchers in both fields tend to view pragmatism and ethics as inherently in conflict. However the concept of entrepreneurial leadership invites a closer look at how ELs resolve this conflict in practice, since ELs face it more acutely than either entrepreneurs or non-entrepreneurial leaders. A few researchers have taken an integrative approach to this issue. In particular Surie and Ashley's (2008) integrative model of pragmatism and ethics in entrepreneurial leadership offers a promising new direction to this debate.

A second issue raised by joining entrepreneurship with leadership concerns attitudes to failure. Many studies suggest entrepreneurs are tolerant of or even attracted to failure as a means of learning and self-development, and accordingly less concerned with risk and uncertainty. On the other hand, leaders are commonly portrayed as unusually successful individuals with clear and certain goals or visions, although increasing attention to leaders' authenticity suggests they also possess resilience. ELs are expected to need resilience more than traditional leaders as entrepreneurship inherently involves risk. So far no studies have addressed ELs' attitudes to risk. This is expected to be a critical issue affecting ELs' wellbeing, authenticity and ability to create trust and commitment in followers.

CHAPTER 3: METHOD

The purpose of this study was to identify the perceived personal characteristics of entrepreneurial leaders (ELs), and to explore participants' perceptions of ELs' approaches to ethics and attitudes to failure. The rationale for the research questions was drawn from the literature reviewed in Chapter 2. This chapter outlines the research design, beginning with the conceptual framework and research questions. It then describes the questionnaire and interview studies, the sample, data collection and analysis processes, a pilot study and the management of ethical issues. Finally, the trustworthiness and reliability of the research methodology are addressed.

3.1   Conceptual Framework

The literature review identified entrepreneurial leadership research as embryonic, concurring with Bagheri and Pihie's (2011, pp. 449, 447) view of this construct as "in the very early stages of conceptual and theoretical development" and therefore having "little knowledge about [its] theoretical and conceptual foundations". In Reichers and Schneider's (1990) model, a new concept evolves through three stages: concept introduction/elaboration, concept evaluation/argumentation, and concept consolidation/accommodation. Entrepreneurial leadership is still at the stage of establishing its legitimacy and most studies are conceptual, aiming to educate people about the concept. So far only Gupta, et al. (2004) have offered empirical data that can "bolster the argument that the concept represents a real phenomenon" (Hunt, 1999, p. 131). This research aims to further legitimise entrepreneurial leadership as a new leadership concept.

3.1.1   Conceptual model: the common characteristics model

This research tests the proposition that that ELs' personal characteristics are perceived to be shared with leaders and entrepreneurs, but together form a set distinct from the characteristics of leaders or entrepreneurs alone. This proposition builds on several assumptions: (i) that personal characteristics, traits or individual differences affect entrepreneur or leader performance (e.g., Judge, et al., 2002; Stewart, Watson, Carland, & Carland, 1999; Zaccaro, 2012), (ii) that

perceptions or implicit theories of entrepreneurs and leaders influence followers and; (iii) that entrepreneurial leadership can be understood as the intersection of leadership and entrepreneurship (e.g., Cogliser & Brigham, 2004; Deluca, 2003; Vecchio, 2003) and consequently studies identifying characteristics common to leaders and entrepreneurs (e.g., Fernald, et al., 2005a; Perren, 2002) provide a useful way to delineate this new concept.

Fernald, et al. (2005a) and Perren (2002) used content analysis of research studies to identify characteristics shared by leaders and entrepreneurs. Their findings together lead to the common characteristics approach to entrepreneurial leadership used in this study, shown schematically in Figure 3.1. For example, Perren (2002) identified 'Ability to Motivate' as a leadership characteristic and 'Need for Independence' as an entrepreneurial characteristic. This means motivation is *more important* for leaders (and independence for entrepreneurs) rather than being exclusive to that category. Personal Drive was important to both categories and is therefore a 'common characteristic'.
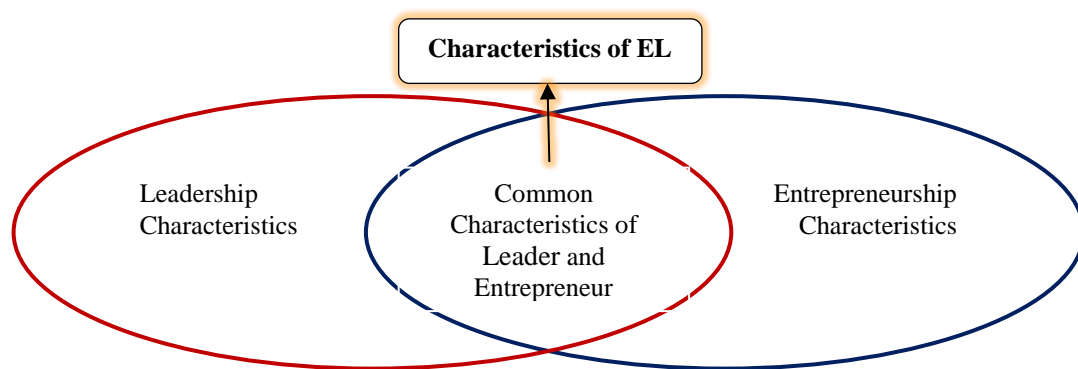
Figure 3.1: Common characteristics model of EL

3.1.2   Research questions

As an exploratory study of a new concept at an early stage of evolution, the research questions mainly focused on describing the phenomenon: "which factors (variables, constructs, concepts) logically should be considered as part of the explanation of the social or individual phenomena of interest?" (Whetten, 1989, p. 490).

The overarching research question guiding this study was:

1. a) Are ELs perceived differently from non-entrepreneurial leaders and those who are entrepreneurs only?
   b) If so, what are the perceived personal characteristics of ELs?

In addition, this study explored two particular leader attributes of ELs related to their approaches to ethics and attitudes to failure. Two secondary research questions addressed these additional research objectives:

2. a) Are ELs perceived as more pragmatic than non-ELs in handling ethical issues?
   b) How are ELs perceived to balance pragmatism and ethics?

3. Are ELs perceived as more resilient than non-ELs in coping with failure, and how does this affect attributions of leadership?

3.2   Research Design

Conger (1998, p. 107) argues that qualitative inquiry is underutilised in leadership research because "they [qualitative studies] are time intensive and complex" but "at the same time, they can be the richest of studies". Therefore, he suggests using qualitative methods more widely in leadership research to provide new perspectives and in-depth understanding of complex phenomena. Likewise, Insch, Moore, and Murphy (1997, p. 1) suggest researchers adopt qualitative methods "to complete previous quantitative research results and to discover and understand new facets of leadership that may be difficult to tap by using traditional quantitative methods". Given the lack of prior empirical studies, qualitative research on entrepreneurial

leadership is very appropriate. As well, attitudes to ethics and failure have subjective components that can be difficult to examine with other methodologies.

To collect data from the participants, a brief structured questionnaire was used to supplement the in-depth semi-structured interviews. The questionnaire aimed to identify the common characteristics of leaders and entrepreneurs; it provided quantitative data mainly relevant to the first research question. Semi-structured interviews were used to examine participants' views of ELs' personal characteristics in general and attitudes to ethics and failure in particular; it provided qualitative data for all three research questions and was the principal research method. The two methods used the same sample but the data were analysed separately. Each method has its strengths and weaknesses: the questionnaire data were more structured but also more limited and less rich than the interview findings. Having both perspectives, at least on the central question of EL's personal attributes, offers a degree of 'triangulation' and increases the study's validity and richness (Hartman & Conklin, 2012).

3.2.1   Design of the questionnaire

The questionnaire gathered quantitative data on the common characteristics of leaders and entrepreneurs to create a model similar to Fernald et al.'s (Table 2.4) and Perren's (Figure 2.3) but based on empirical data rather than literature review. The aim was to complement the qualitative interview findings by identifying the characteristics that best distinguished ELs from pure leaders or entrepreneurs.

The questionnaire (see Appendix A) listed 30 potential common characteristics drawn from the literature, primarily the studies reviewed above. Participants were asked to select 10 items they considered entrepreneurial characteristics by ticking in the left column (not ranking them), and 10 leadership characteristics by ticking in the right column. This draws on the method of Fernald et al. (2005) and Perren (2002), who used content analysis of the literature to identify frequently-cited leader characteristics and entrepreneur characteristics and therefore the common characteristics. Here, 30 characteristics frequently cited in the leadership, entrepreneurship or EL literatures were selected as candidate common characteristics (the selection process is detailed below). These were then further examined by asking participants to select their top 10 for entrepreneurs and top 10 for leaders. The selected characteristics reflected participants' implicit

theories of each category, and the common characteristics emerging from the data are assumed to reflect their implicit theories of ELs.

The selection of the 30 candidate common characteristics took two steps. First, 30 leadership characteristics and 27 entrepreneurial characteristics were selected from Table 2.1 and Table 2.2, respectively. These are shown in Table 3.1. It shows that thirteen characteristics were common to leadership and entrepreneurship (items 1-13), two (items 14 and 15) suggested conflicts between leadership and entrepreneurship, and the rest were associated only with one category.

Table 3.1: Leadership characteristics and entrepreneurial characteristics

Leadership Characteristics (selected from Table 2.1)		**Entrepreneurial Characteristics** (selected from Table 2.2)	
1	Achievement orientated / Personal drive	1	Need for achievement
2	Locus of Control	2	Locus of Control
3	Creative	3	Creative
4	Persistent / Tenacity	4	Commitment/ Perseverance
5	Initiative / Proactive	5	Initiative / Pro-activity
6	Honesty / Integrity / Trustworthy	6	Integrity and reliability
7	Self-confidence	7	Self-confidence / Self-efficacy
8	Dominance	8	Belief in Control
9	Sociability	9	Good Networkers
10	Energy	10	High energy level
11	Visionary	11	Visionary
12	Intuition	12	Intuition
13	Sense of humour	13	Sense of humour
14	Need for status and power	14	Low need for status and power
15	Patient	15	Impatient
16	Intelligence and cognitive ability	16	Risk-taking
17	Knowledge of the business (Expertise)	17	Opportunity orientation / Opportunism
18	Insight	18	Tolerance for Ambiguity
19	Emotional Intelligence / Social skills	19	Need for independence / Autonomous
20	Team orientation	20	Realism (Pragmatic)
21	Diplomatic	21	Tolerance for failure (Resilient)
22	Genuine interest in others (Empathy)	22	Passion
23	Agreeableness / Warmth	23	Over-confidence / Hubris
24	Charismatic	24	Optimism
25	Committed to mission	25	Diligent
26	Strategic thinker	26	Resourcefulness
27	Inspiring	27	Seeking feedback
28	Assertiveness		
29	Narcissism		
30	Responsibility		

Next, Table 3.1 was compared to the characteristics of ELs identified from the entrepreneurial leadership literature (Table 2.5) and 30 characteristics were selected for the questionnaire (see Table 3.2). These 30 questionnaire items are: 1) ten items that are *both* the common characteristics in Table 3.1 (items 1-13) and the characteristics of ELs in Table 2. 5; 2) ten items that are *either* leadership characteristics or entrepreneurial characteristics in Table 3.1 (from item 16 downward) and the characteristics of ELs in Table 2.5 (e.g., Inspiration, Ability to Motivate, Risk-taking, Opportunity Orientation); 3) eight characteristics of ELs from Table 2.5 only (e.g. Ambitious, Decisive, Single-minded, Flexible); and 4) two entrepreneurial characteristics from Table 3.1 (i.e., Pragmatic and Resilient). These two items were included in the questionnaire because they were associated with the two secondary research questions.

Table 3.2: Characteristics of ELs used in the questionnaire

Visionary	Ability to motivate	Ambitious
Creative / Innovativeness	Inspirational	Decisive
Dominance / Belief in control	Insightful	Performance-oriented
Integrity / Trustworthy	Diplomatic	Far-sight / foresight
Intuitive	Need for status and power	Flexible
Need for achievement	Risk-taking	Single-minded
Persistent	Opportunity orientation	Stress-resistant
Pro-activity / Initiative	Over-confidence / Hubris	Thick-skinned
Self-confidence / Self-efficacy	Positive / Optimistic	Realistic / Pragmatic
Sociability / Good networkers	Enthusiastic / Passionate	Tolerance for failure / Resilience

It should be noted that Table 3.2 is not an inclusive list of common characteristics of leaders and entrepreneurs. Rather, the 30 characteristics were selected to be used as questionnaire items because they were more frequently used in the literature, which is the same selection method used in Fernald et al.'s (2005a) and Perren's (2002) common characteristics models.

3.2.2   Design of the interview schedule

The semi-structured interview is one of the most common qualitative research methods (Kitchin & Tate, 2000) and the most common form of interviewing ("Research guidelines: Semi-structured interview," 2006). It is "the favoured technique to use with business elites" because it allows maximum freedom of expression within a well-structured guideline (Swiercz & Lydon, 2002, p. 382). In a semi-structured interview, the researchers follow an interview guide but can

depart from it as other questions of interest arise. The researcher has some prepared questions but participants can express their views in their own terms in a formal, conversational setting (Cohen & Crabtree, 2006). Participants can express their views in a focused yet exploratory manner.

The interview schedule (see Appendix B) addressed the three research questions concerning (i) participants' perceptions of the personal characteristics of leaders, entrepreneurs and ELs; (ii) ELs' approaches to balancing pragmatism with ethics, and (iii) ELs' attitudes to failure. Each interview question followed a general-to-specific format, with a main question to navigate the conversation and several sub-questions to clarify or probe into the topic. For example, Question 1 asked participants whether they were aware of entrepreneurial leadership and could give examples of ELs. The following questions asked why they perceived these persons as ELs, and how they saw the differences between the ELs and leaders or entrepreneurs. The sub-questions could be changed or re-ordered depending on the flow of the conversation, and new probing questions were often improvised.

3.3   Sample and Participants

Potential participants were required to have broad business management experience and hence informed perceptions of entrepreneurship and leadership, and to be able to articulate their opinions in formal conversation. Consistent with these expectations, to draw an eligible sample, this study focused on the population of business owners and middle or senior corporate managers and applied three selection criteria in recruiting participants: a) minimum managerial experience or self-employment experience of three years; b) over thirty years of age; and c) formal education, preferably college level or above. There was no attempt to control gender, nationality or the industry and size of the participants' business.

The study used a non-probability sample purposefully selected from the research population. Purposive sampling uses participants with experience of the phenomenon of interest (Creswell, 2009). Patton (1990, p. 169) describes its advantages: "the logic and power of purposeful sampling lies in selecting *information-rich cases* for study in depth. Information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the research, thus the term *purposeful sampling*".

In qualitative research the sample size depends on the aim of the study and the availability of resources and time (Patton, 1990). The sample is usually complete when further sampling produces little or no new information, in the researchers' subjective judgement (Creswell, 2009; Law, Stewart, Letts, Bosch, & Westmorland, 1998). In this study saturation was observed after 25 participants had been interviewed, when preliminary reading of transcripts suggested later interviews were largely repeating information from the earlier ones.

The participants were chosen for convenience (Patton, 1990). The majority had direct connections with the researcher's university as alumni, guest speakers or academics, and agreed to being interviewed because of this. Other participants came from the researcher's personal networks (friends, business contacts or friends' acquaintances). The two academics were senior managers in their organisations who were also entrepreneurs running successful private businesses.

Table 3.3 summarises the demographics of 25 participants (including the five who were excluded from interview data; see Section 3.4.1). A majority (18) were males and 7 females, with an average age of 48 but ranging from 28 to 65. On average participants had worked for 27 years, with a maximum of 42 and a minimum of 9 years. Years of self-employment or managerial experience ranged from 39 to 2 years. Notably many participants had experience in both roles. In terms of formal education, five had a Doctoral degree, 14 a Masters degree, 5 were college graduates and one a high school graduate. The sample comprised 12 business owners and 13 corporate managers drawn from a range of industry sectors: service industries such as hospitality, retail, consulting and finance (9 participants); education (5 participants); government (5 participants); technology and venture capital (3 participants); and mining-related businesses (3 participants).

The shaded rows in Table 3.3 indicate participants on the boundary of the selection criteria whose eligibility was assessed more carefully. One was less than 30 years old but had been a middle manager in a government agency for 5 years. Another did not have a college qualification, but had founded several companies and run them successfully over a decade. A third was a co-founder of a business but disclosed only late in the interview that he had little self-employment or managerial experience. He was therefore excluded from the interview data, although his

questionnaire was used as he was judged to meet the selection criteria for this, and the questionnaire data were analysed separately to the interview data.

Table 3.3: Demographics of participants

Gender	Male	18
	Female	7
Age	**Average**	48
	Oldest	65
	Youngest	28
Years of working	**Average**	27
	Maximum	42
	Minimum	9
Years of Self-employment /managerial experience	Maximum	39
	Minimum	2
Education	PhD	5
	Master	14
	College graduates	5
	High school	1
Employment	Business owner/self-employed	12
	Corporate managers	13
Industry	Service	9
	Education	5
	Government	5
	Technology	3
	Mining related	3

3.4 Data Collection and Analysis

3.4.1 Data collection

The questionnaire was administered during each interview, following the biographic questions but prior to the main interview questions. This allowed it to serve as a 'warm-up', making participants familiar with the research topic and helping them organise their thoughts. Often during interview questions they referred back to the questionnaire, for example highlighting characteristic there. The questionnaire took approximately 10 minutes to complete. Choosing 10

items out of 30 is not a simple task and all participants pondered this at length. Some asked if they could redo the questionnaire and were given an additional copy.

Interviews were the primary data collection method. Potential participants were invited via email enclosing an Information Letter. The research then contacted those who agreed to participate to check their eligibility and to make interview arrangements. Interviews were conducted at a time and venue convenient to the participants, whether participants' offices (11), the university library (9), or a café (5). The average interview took an hour, including completion of the questionnaire. Interviews were recorded with participants' permission.

After completing 25 interviews, the recordings were reviewed and five were excluded from the data analysis for following reasons: one participant did not meet the selection criterion of minimum business/managerial experience; three recordings were not sufficiently audible to allow verbatim transcripts; and one was assessed to be of low quality because the participant did not provide clear or detailed answers to the questions due to inadequate English language skills.

When the data collection completed, all 25 questionnaires and 20 interviews were processed for data analysis. The questionnaires and interviews were analysed separately, without cross-checking data from each participants.

3.4.2 Questionnaire data analysis

The questionnaire data were analysed with simple descriptive statistics. The number of times each questionnaire item was related to entrepreneur and leaders was calculated and the items were ranked accordingly. The common characteristics of leaders and entrepreneurs were identified and ranked as well. The results for each category are reported in Table 4.1 in the Results chapter. Chapter 4 also presents these results in several other formats.

3.4.3 Interview data analysis

The interview data were thematically analysed. Thematic analysis is a common approach to qualitative analysis of interview data (Hayes, 2000; Holloway & Todres, 2003). Braun and Clarke (2006, p. 79) define thematic analysis as "identifying, analysing and reporting patterns (themes) within data". According to Boyatzis (1998), thematic analysis can be used with any

form of qualitative research and serves as "a conceptual bridge" between positivist and interpretive or descriptive methodologies. Similarly, Braun and Clarke (2006, p. 78) state that thematic analysis is "essentially independent of theory and epistemology, and can be applied across a range of theoretical and epistemological approaches". In addition, thematic analysis is more accessible for novice researchers because it does not demand deep technological or theoretical knowledge of research methodologies such as discourse analysis and grounded theory (Aronson, 1994; Braun & Clarke, 2006).

The analysis followed Boyatzis' (1998) guidelines for thematic code development and Braun and Clarke's (2006) six phases of thematic analysis, as illustrated in Table 3.4. The data analysis software NVivo was used after the familiarisation phase.

Table 3.4: Phases of thematic analysis

Phase	Data analysis activities	Analysis tool
1. Getting familiar with the data	Collecting and transcribing the interview data; reading and re-reading the data and note down initial ideas; gaining prior knowledge of the data and initial analytic thoughts.	manual
2. Generating initial codes	Coding features of the data across the entire data set; collating data relevant to each code; organising data into meaningful groups.	NVivo
3. Searching for themes	Collating codes into potential themes by the criteria of prevalence and keyness; gathering all data relevant to each potential theme.	NVivo
4. Organising themes	Clustering themes according to related characteristics, identification of an underlying construct, and hierarchical relationship; checking if the themes work in relation to the coded extracts and the entire data set.	NVivo
5. Refining themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells; generating clear definitions and names for each theme.	NVivo
6. Devising thematic maps	Devising thematic maps of entire themes structure of individual themes.	NVivo

Note. Adapted from "Using thematic analusis in psychology" by V. Braun & V. Clarke, 2006, *Qualitative Research in Psychology, 3*(2), p.87.

Thematic analysis begins with familiarisation. Braun and Clarke (2006, p. 87) suggest researchers collect qualitative data in person and study through it repeatedly because "ideas and … possible patterns will be shaped as you read". In this study, the researcher conducted all interviews and transcribed the recordings verbatim and checked each for accuracy. Transcripts

were then read several times and potential themes highlighted. This demanding process gave a comprehensive understanding of the data, suggesting initial thematic codes. Some researchers consider this early stage of data preparation as the first level of analysis, an "interpretative act" where meanings are created and interpretative skills developed (Crute, 2010; Lapadat & Lindsay, 1999).

In the second phase initial codes were generated. Codes identify a feature of the data that appears interesting to the analyst, and coding is a process of organising the data into meaningful groups (Braun & Clarke, 2006). According to Boyatzis (1998, p. 63), a good code captures the richness of the phenomenon as "the most basic segment, or element, of the raw data or information that can be assessed in a meaningful way". The researcher worked systematically through each transcript to identify "codable moments" that underly potential themes. In this initial stage, a large number of first-level codes were created in NVivo. Most were organised into groups (folders of notes) associated with the three research questions, while some remained as free notes because, despite theory-related meanings or repeated patterns, they appeared unrelated to the research questions (these are called "miscellaneous" by Braun and Clarke (2006)).

This phase followed Braun and Clarke's (2006, p. 89) advice for initial coding: a) code for as many potential themes as possible; b) code data inclusively, including surrounding texts if relevant; and c) code individual extracts of data in as many different themes as they fit into. NVivo greatly facilitated these coding practices.

The third phase was to search for themes. After initially coding a list of codes was generated and broader themes identified. A theme is a pattern that "at the minimum describes and organizes possible observations or at the maximum interprets aspects of the phenomenon" (Boyatzis, 1998, p. vii). Themes must represent some important aspects of the data relating to the research questions, along with the criteria of prevalence and "keyness" (Braun & Clarke, 2006, p. 82). A number of initial themes were formed representing patterned meanings or critical elements of the data. To illustrate, Table 3.5 shows codes concerning participants' perceptions of ELs' attitudes to failure that identify emotions or feelings about failure and were therefore sorted into a theme of "emotional responses to failure".

Table 3.5: An example of coded data segments, codes, and the theme

Coded data extracts	Codes	Theme
– I am *sensitive* to failures, I am aware of failures, and I am *afraid* of failures, but given my job, I still have to do it. – Many people, including myself, have this *fear* of failure. If we as individuals do not attempt to conquer this fear, we could never take the first step to reach success.	Fear	Emotional responses to failure
– He became *despondent*, a little *depressed*, because things did not work.	Disappointment	
– The first time I ever failed, I was *devastated*. I thought how could this happen! – They would probably find failure very *painful, unpleasant*, but they will bounce back. – I was feeling *sad, distressful* and all sorts of things.	Other emotions	

In the fourth phase themes were organised to decide which: a) could be merged into higher-level themes; b) could be broken down into sub-themes; c) required further refinement; and d) were not relevant to the research questions. This process used Boyatzis' (1998) three criteria for conceptually clustering themes. First, themes may have related characteristics. For example, themes about ELs' emotional responses to failure and emotional self-control behaviours were clustered together to form a main theme of "emotional resilience". Second, themes can be organised according to an underlying construct. For example, themes about ELs' ambitions, ideals and future plans or business direction and communication of goals had an underlying theme of an idealised image of the future and were clustered into a main theme of "vision". Third, some themes had a hierarchical relationship and were organised into different levels. A procedure for scoring codes (presence-or-absence scoring and frequency scoring) was used to identify the levels of these themes.

Patton's (1990) dual criteria of internal homogeneity and external heterogeneity were also used in clustering themes. The relevant codes in each theme were collated to ensure that coherence in each, and the relationships between themes were carefully examined to ensure they had identifiable distinctions.

In the fifth phase themes were refined by "identifying the 'essence' of what each theme is about (as well as the themes overall), and determining what aspect of the data each theme captures" (Braun & Clarke, 2006, p. 92). However, this is likely to generate new themes requiring the

researcher to re-code the data. As Braun and Clarke (2006, p. 92) suggest: "If the process of recoding is only fine-tuning and making more nuanced a coding frame that already works – i.e. it fits the data well – recognize this and stop". Bearing in mind this principle, data coding was completed when thematic refinements no longer substantially changed the theme structure. The researcher then defined the scope and content of each theme.

The last phase was to devise thematic maps. This is similar to a codebook but with less detailed description, and provides a graphic representation of the relationship between codes and themes. In this study, thematic maps were produced using the NVivo function of "models".

3.5   Pilot Study

A pilot study based on four interviews aimed to examine participants' general awareness of entrepreneurial leadership and pre-test the research instruments. Participants were recruited according to the selection criteria applied in the main study. All four participants were well aware of entrepreneurial leadership, although none considered themselves an EL. All identified ELs' distinct personal characteristics by comparing themselves with perceived ELs. Therefore, these four were suitable pilot study participants.

The questionnaire was modified in light of the results and feedback from participants. For example, the number of items was increased from 15 to 30. The interview schedule was adjusted to better accommodate the flow of conversation, and the wording of interview questions was improved by eliminating imprecise or redundant words. Finally, the research process was adjusted to include the questionnaire in the interview process instead of administering it separately.

Pilot studies are crucial to good study design, particularly in qualitative research (van Teijlingen & Hundley, 2004). Due to the interactive nature of qualitative data collection and analysis, researchers can always use pilot studies to improve research protocols and skills in the main study (van Teijlingen & Hundley, 2004). Holloway (1997) suggests piloting of qualitative approaches is even more appropriate for novice researchers using interviews. Consistent with this, the researcher found the pilot study highly beneficial to refining the research design and improving interview skills.

3.6   Ethical Considerations

This study was approved by the ECU Research Ethics Committee prior to data collection. Participation was completely voluntary and participants were provided with an Information Letter prior to interviews to inform them of the study's scope topics and the recording of responses. At the beginning of each interview, the researcher asked the participant to read and sign a Consent Form, and emphasised that all data was anonymous and no identifying information would be collected or published. The confidentiality measures were reiterated in closing each interview.

3.7   Trustworthiness and Reliability

Qualitative research highlights the subjective nature of social reality and many scholars suggest it should be primarily evaluated by its trustworthiness rather than criteria employed in quantitative research such as reliability, validity, generalizability or objectivity (Bryman, 2012; Guba & Lincoln, 1994; Shenton, 2004; Silverman, 2001; Zyzanski, McWhinney, Blake Jr., Crabtree, & Miller, 1992). Guba (1981) proposes four criteria for evaluating trustworthiness: credibility (equivalent to internal validity), transferability (equivalent to external validity/generalisability), dependability (equivalent to reliability), and confirmability (equivalent to objectivity).

Boyatzis (1998) emphasises that reliability is critical in thematic analysis:

> Reliability is consistency of observation, labelling, or interpretation. It is not verification, which is a pure, positivistic notion. It affects the potential utility of the code and the research findings that result from the use of the code. It affects the potential for replication, extension, and generalization of the research. Validity of findings cannot conceptually exceed the reliability of the judgments made coding or processing the raw information. (p. 145)

In this study, various measures were taken to create trustworthiness in the sense of consistent judgment. For example, both quantitative and qualitative methods were used to address the main research question, allowing the weakness of one to be compensated by the strengths of the other.

Such triangulation increases a study's credibility, dependability, and stability (Guba, 1981). In this study, the questionnaire results and interview findings were congruent. "If similar results are found using different methods the case for stability is also strengthened" (Guba, 1981, p. 86).

The interview schedule in this study was developed from theory and pretested by a pilot study to maximise its internal validity and credibility through use of "sensitizing concepts" (Franklin & Ballan, 2001, p. 289). The interviews also followed a standardised interview protocol to ensure consistency of data collection for all participants.

The use of purposive sampling gave the sample homogeneity and thereby increasing reliability (Franklin & Ballan, 2001). Hill, Thompson, and Williams (1997) highlight the importance of sampling enough cases to allow cross-case comparisons and a thorough testing of one's findings. They recommend 8 to 15 cases for establishing consistency in findings. Good consistency is therefore suggested by the 20 interviews of this study.

A number of other aspects of this study contribute to its trustworthiness. First, the sample selection and data collection and analysis processes are documented above to ensure replicability. Second, NVivo made data analysis more consistent, for example by allowing scoring of codes to increase the consistency of theme organisation, and thorough coding and frequency counts of codes allowed the data and themes to be visualised.

CHAPTER 4: RESULTS

This chapter comprises two parts: a description of the results of the questionnaire survey and the findings from the interviews. The questionnaire findings are based on frequencies of responses across 25 questionnaires. The interview findings are based on a thematic analysis of responses to the interview questions addressing each of the three research questions.

4.1   Results of the Questionnaire

The questionnaire responses were analysed to identify the most common characteristics associated with entrepreneurs and leaders. Those identified in both categories represent the expected characteristics of entrepreneurial leaders. Table 4.1 shows the frequencies for items in each of the three categories.

Table 4.1: Results of questionnaire analysis

Rank	Item and frequency of choice as a **common** characteristic		Item and frequency of choice as an **entrepreneurial** characteristic		Item and frequency of choice as a **leadership** characteristic	
1	Vision	13	Risk-taking	22	Ability to motivate	23
2	Passion	13	Passion	20	Integrity	22
3	Integrity	10	Creative / Innovative	19	Vision	18
4	Self-confidence	10	Resilience	16	Decisive	17
5	Ability to motivate	6	Vision	15	Inspirational	16
6	Decisive	5	Persistent	14	Passion	15
7	Intuition	5	Opportunity orientation	13	Positive / Optimistic	13
8	Sociability / Good networkers	5	Self-confidence	12	Self-confidence	13
9	Resilient	5	Integrity	11	Diplomatic	12
10	Flexible	4	Ambitious	10	Performance orientation	12
11	Creative / Innovative	3	Need for achievement	9	Intuitive	11
12	Inspirational	3	Sociability / Good networkers	9	Pro-active / Initiative	11
13	Performance orientation	3	Positive / Optimistic	8	Sociability / Good networkers	10
14	Persistent	3	Ability to motivate	7	Resilience	9
15	Positive / Optimistic	3	Intuitive	7	Flexible	8
16	Risk-taking	3	Realistic / Pragmatic	7	Realistic / Pragmatic	7
17	Need for achievement	2	Decisive	6	Need for achievement	6

18	Ambitious	1	Far-sight / Foresight	6	Far-sight / Foresight	5
19	Diplomatic	1	Flexible	6	Creative / Innovative	4
20	Far-sight / Foresight	1	Insightful	5	Insightful	4
21	Pro-active / Initiative	1	Inspirational	5	Persistent	4
22	Realistic / Pragmatic	1	Performance orientation	5	Stress-resistant	4
23	Thick-skinned	1	Pro-active / Initiative	4	Risk-taking	3
24	Dominance / Belief in control	0	Stress-resistant	4	Ambitious	2
25	Insightful	0	Thick-skinned	4	Dominance / Belief in control	2
26	Need for status and power	0	Single-minded	3	Thick-skinned	1
27	Opportunity orientation	0	Diplomatic	1	Need for status and power	0
28	Over-confidence / Hubris	0	Need for status and power	1	Opportunity orientation	0
29	Single-minded	0	Over-confidence / Hubris	1	Over-confidence / Hubris	0
30	Stress-resistant	0	Dominance / Belief in control	0	Single-minded	0

Table 4.2 is a short version of Table 4.1, showing only the top ten characteristics for entrepreneurial leaders (Group 1), entrepreneurs (Group 2) and leaders (Group 3). These are discussed separately below.

Table 4.2: Personal characteristics of ELs, entrepreneurs and leaders

Rank	Most frequently selected personal characteristics		
	Group 1 Characteristics common to entrepreneurs and leaders	**Group 2** Characteristics of entrepreneurs	**Group 3** Characteristics of leaders
1	Vision (13)	Risk-taking (22)	Ability to motivate (23)
2	Passion (13)	Passion (20)	Integrity (22)
3	Integrity (10)	Creative / innovative (19)	Vision (18)
4	Self-confidence (10)	Resilience (16)	Decisive (17)
5	Ability to motivate (6)	Vision (15)	Inspirational (16)
6	Decisive (5)	Persistent (14)	Passion (15)
7	Resilience (5)	Opportunity-orientated (13)	Optimistic (13)
8	Sociable (5)	Self-confidence (12)	Self-confidence (13)
9	Intuition (5)	Integrity (11)	Diplomatic (12)
10	Flexible (4)	Ambitious (10)	Performance-oriented (12)

Note: The numbers in the brackets indicate the frequency of this response.

4.1.1 Characteristics common to entrepreneurs and leaders

Table 4.2 shows that Vision, Passion, Integrity and Self-confidence were identified as the most distinctive personal characteristics of ELs. These four are substantially more important than the other common characteristics, and are the only ones also ranked in the top ten of the other two categories. They therefore appear to be the most important, defining characteristics of ELs.

Table 4.3 is a version of Table 4.2 highlighting the ranking of these four characteristics in the results for entrepreneurs and leaders. Three results are noteworthy. First, Vision, the top common characteristic, is also ranked in the top five for both entrepreneurs and leaders, suggesting it is important to all three categories. Second, Passion was more often cited for entrepreneurs, where it was ranked second, than for leaders where it ranked sixth. In contrast, Integrity is perceived as more important for leaders, where it is ranked second than entrepreneurs where it ranked ninth. Finally, Self-confidence was ranked substantially higher as a common characteristic (fourth) than for leaders or entrepreneurs (eighth in both). Self-confidence appears to be a defining feature of entrepreneurial leadership, distinguishing it from both leadership and entrepreneurship.

Table 4.3: The top four characteristics of ELs: ranking for entrepreneurs and leaders

Rank	Most frequently selected personal characteristics					
	Characteristics common to entrepreneurs and leaders		Characteristics of entrepreneurs		Characteristics of leaders	
1	**Vision**	**(13)**	Risk-taking	(22)	Ability to motivate	(23)
2	**Passion**	**(13)**	**Passion**	**(20)**	**Integrity**	**(22)**
3	**Integrity**	**(10)**	Creative / innovative	(19)	**Vision**	**(18)**
4	**Self-confidence**	**(10)**	Resilience	(16)	Decisive	(17)
5	Ability to motivate	(6)	**Vision**	**(15)**	Inspirational	(16)
6	Decisive	(5)	Persistent	(14)	**Passion**	**(15)**
7	Resilience	(5)	Opportunity-orientated	(13)	Optimistic	(13)
8	Sociable	(5)	**Self-confidence**	**(12)**	**Self-confidence**	**(13)**
9	Intuition	(5)	**Integrity**	**(11)**	Diplomatic	(12)
10	Flexible	(4)	Ambitious	(10)	Performance-oriented	(12)

Table 4.4 is a version of Table 4.2 highlighting the characteristics of ELs that are also ranked highly for *either* entrepreneurs or leaders but not both. Ability to Motivate and Decisiveness are in the top ten for ELs and leaders but not for entrepreneurs, while Resilience is in the top ten for ELs and entrepreneurs but not for leaders. All three characteristics are rated lower amongst ELs

than either leaders or entrepreneurs, suggesting they are less distinctive than Vision, Passion, Integrity and Self-confidence.

Table 4.4: Characteristics of ELs also ranked highly for entrepreneurs *or* leaders

Rank	Most frequently selected personal characteristics					
	Characteristics common to entrepreneurs and leaders		Characteristics of entrepreneurs		Characteristics of Leaders	
1	Vision	(13)	Risk-taking	(22)	**Ability to motivate**	**(23)**
2	Passion	(13)	Passion	(20)	Integrity	(22)
3	Integrity	(10)	Creative / innovative	(19)	Vision	(18)
4	Self-confidence	(10)	**Resilience**	**(16)**	**Decisive**	**(17)**
5	**Ability to motivate**	**(6)**	Vision	(15)	Inspirational	(16)
6	**Decisive**	**(5)**	Persistent	(14)	Passion	(15)
7	**Resilience**	**(5)**	Opportunity-orientated	(13)	Optimistic	(13)
8	Sociable	(5)	Self-confidence	(12)	Self-confidence	(13)
9	Intuitive	(5)	Integrity	(11)	Diplomatic	(12)
10	Flexible	(4)	Ambitious	(10)	Performance-oriented	(12)

The last three common characteristics - Sociable, Flexible and Intuitive were not ranked in the top ten for either entrepreneurs or leaders, showing them as the least important characteristics of ELs.

4.1.2 The distinctive characteristics of entrepreneurs and leaders

Table 4.5 is a version of Table 4.2 highlighting the characteristics distinguishing entrepreneurs from leaders - those ranked in the top ten in either category that are not common to both. Five are entrepreneurial characteristics: Risk-taking, Creative, Persistent, Opportunity-oriented and Ambitious; and four are leadership characteristics: Inspirational, Optimistic, Diplomatic and Performance-driven. These characteristics distinguish entrepreneurs from leaders, and may be of interest to researchers in both fields looking for a more refined definition.

Table 4.5: Characteristics belonging to entrepreneurs or leaders but not ELs

Rank	Most frequently selected personal characteristics					
	Characteristics common to entrepreneurs and leaders		Characteristics of entrepreneurs		Characteristics of leaders	
1	Vision	(13)	**Risk-taking**	**(22)**	Ability to motivate	(23)
2	Passion	(13)	Passion	(20)	Integrity	(22)
3	Integrity	(10)	**Creative / innovative**	**(19)**	Vision	(18)
4	Self-confidence	(10)	Resilience	(16)	Decisive	(17)
5	Ability to motivate	(6)	Vision	(15)	**Inspirational**	**(16)**
6	Decisive	(5)	**Persistent**	**(14)**	Passion	(15)
7	Resilience	(5)	**Opportunity-orientated**	**(13)**	**Optimistic**	**(13)**
8	Sociable	(5)	Self-confidence	(12)	Self-confidence	(13)
9	Intuition	(5)	Integrity	(11)	**Diplomatic**	**(12)**
10	Flexible	(4)	**Ambitious**	**(10)**	**Performance-oriented**	**(12)**

A graphical summary of the three groups of characteristics identified above is shown in Figure 4.1. The most important for this study are the top ten characteristics common to entrepreneurs and leaders, shown in the centre. These are defined here as the characteristics of ELs. They fall into three groups. First, Passion, Vision, Integrity and Self-confidence appear to be most important since they were cited considerably more often than the others. The second group - Ability to motivate, Decisiveness and Resilience - appear to be less important as they were less often cited and are shared with either leadership or entrepreneurship (but not both).

The third group, comprising Sociable, Intuitive and Flexible, are least common amongst the top 10 cited but may be theoretically important as they are not characteristic of either leaders or entrepreneurs. In this sense they are the most distinctive attributes. As well, along with resilience they appear to be less connected to the 'implicit theories' of leadership or entrepreneurship widely held in the population. An interesting question for future researchers is whether ELs are indeed perceived to differ from entrepreneurs or leaders in being more sociable, intuitive and flexible, and to differ from leaders in being more resilient.

Entrepreneurial characteristics   **Top ten characteristics of ELs**   **Leadership characteristics**

Top ten entrepreneurial characteristics

Risk-taking
Creative/Innovative
Persistent
Opportunity-oriented
Ambitious

Resilience

Vision
Passion
Integrity
Self-confidence

Top ten leadership characteristics

Inspirational
Optimistic
Diplomatic
Performance-oriented

Ability to Motivate
Decisive

Sociable
Intuitive
Flexible

Figure 4.1: Summary of questionnaire results

4.2   Characteristics of ELs (Research Question One)

Research Question One asked whether ELs had different personal characteristics to people who are (i) entrepreneurs only or (ii) non-entrepreneurial corporate managers, and what these might be. The findings in 4.1 provide a broad perspective and the interview questions explored this question in more detail.

Three main findings are reported below. First, all 20 interview participants demonstrated good awareness of entrepreneurial leadership. They readily cited well-known examples of business and non-business ELs. More than half considered themselves ELs in corporate organisations or their own businesses. Second, several different perspectives on the relationship between leadership and entrepreneurship were identified. Finally, a number of personal characteristics were commonly cited as distinguishing ELs from either pure entrepreneurs or managerial leaders. A comprehensive summary of the three main findings for Research Question One can be found in Appendix C.

4.2.1   Awareness of entrepreneurial leadership

The first major finding is that respondents had a strong awareness of entrepreneurial leadership as a distinct leadership style. All were able to give examples of ELs, mostly entrepreneurs who grew small startups into large businesses, such as Sir Richard Branson of Virgin or Steve Jobs of Apple, but also entrepreneurial CEOs such as Carly Fiorina of Hewlett-Packard or Tom Albanese of Rio Tinto.

Most examples of ELs were from the business world rather than other areas of society. Non-business ELs included a political leader (Gandhi), a religious leader (the Dalai Lama), and a military leader (General Grant in the US Civil War). Some participants saw entrepreneurial spirit residing in all outstanding leaders, in business or otherwise, as several quotes below illustrate. Participant BO13 considered Julian Assange, the controversial founder of Wikileaks, an exemplary socially entrepreneurial leader who used his talents for humanitarian motives. Similarly, CM25 attributed great political breakthroughs to civic entrepreneurship, citing Nelson Mandela's unique insight, vision of a better world, and ability to seize historical opportunities to change South Africa's destiny.

> BO13   *These people can influence the way we live these days. If they do not exist in this eco-system, the world won't be an interesting place. For example, the Wikileaks [Julian Assange]. No matter you like it or not, they try to understand a new world and this makes people realise that there is another way of living a life.*

> CM25   *I see Mandela is a civic entrepreneur. In Mandela's case, he has to understand the linkage. If an entrepreneurial leader can understand the root of why certain things are happening, then he can see the opportunity. Mandela is a great leader because he seized the unique historical opportunity and changed the nation.*

In addition, twelve participants (seven business owners and five corporate managers) readily identified themselves as ELs and had no hesitation in talking about their principles and practices as defining ELs. For instance, BO16, a founding CEO of a fast-growing start-up, defined an EL as someone who leads by growing a business, whether or not as its founder. Similarly CM11, a VP of sales in a listed company, differentiated leaders from managers and considered himself an EL in the light of his long-term vision and entrepreneurial strategy.

> BO16   *I guess they [ELs] are people who want to grow a business. Leading the organization with them, that is who they are ... They might be the owner of company, which is ideal, but also might be a hired person, [as] being the mother of your child does not mean you are the best mother. So both they can be entrepreneur leaders. I think anyone can be entrepreneurial leaders with certain personality, even you are not the founder ... We have 25 but I believe we can have 1000 people in my organization. I will lead my company to that point.*

> CM11   *Leader operates at a macro level, at a higher level, at a visionary level. Manage works at an operational level, at day-to-day level of business delivery to the organisation. A leader can also be a manager but it is rare to get both of these in one person ... I am visionary. I have a long view about where the business should go. And my strategies in sales are much different from what are believed the best practices in this industry.*

The other eight participants (three business owners and five corporate managers) did not self-identify as ELs, instead nominating colleagues or business partner examples, but clearly distinguished these from other types of leaders. For instance, CM07 identified a colleague as an EL because his entrepreneurial approach to leadership was the opposite of his peers'

bureaucratic leadership style. CM21 described a government manager who was given a new business unit and took unusually entrepreneurial measures to streamline processes and motivate employees.

> CM07   *I would say that he [the EL] is very much focused on the objective and the outcome, while a majority of managers are focused on process and bureaucracy…I tend to have a bit of both, the entrepreneurial and the bureaucratic sort of approach of leadership. The bureaucracy annoys me but at times it is easy to just be a part of it, to conform to the bureaucracy because generally you do not win when you try to beat it. But he is just incompatible with bureaucracy; he is just different from all of us.*

> CM21   *At that time we set up a new financial advice business within our area and he [the EL] was brought on to run that business. He grew that business from being only a few employees, ending up to being 30 employees. So I would say he understood the business and knew what had been happening; he took that business as his own … He eventually took on the role of acting CEO for a period of time. And it was a time the organization was going through lots of change and staff satisfaction was really bad … It [what he did] is kind of revolutionary at the time. It does not sound like a big deal but normally it is always the top down thing; this is what we traditionally do, but he went bottom up. So he completely looked at things in different ways.*

4.2.2   Entrepreneurs versus leaders

All interview participants specifically compared entrepreneurs with leaders when asked about their perceptions of ELs. Their 'implicit theories' of entrepreneurial leadership are therefore directly or indirectly constructed through comparisons of similarities and differences. Two broad perspectives and three more specific opinions on the relationship between entrepreneurship and leadership are reported below.

Two perspectives: The entrepreneur perspective and the leader perspective

Two broad views guiding participants' understanding of EL are labelled the entrepreneur perspective and the leader perspective. In the *entrepreneurial perspective*, entrepreneurs do not necessarily have leadership capabilities or choose to be leaders. For instance, a "one-man band" entrepreneur, an inventor entrepreneur or a habitual entrepreneur might be successful in a sole enterprise and may not want to grow it. These entrepreneurs do not require

leadership actions such as team-building or sharing a vision. As illustrated in the quotes below, participants saw some entrepreneurs as good sole operators or partners but less capable or comfortable in leading a large group of employees to achieve a shared vision. In short, an entrepreneur may not have leadership competencies or the motivation to become a leader when pursuing entrepreneurial goals.

BO04   *An entrepreneur is just looking for opportunities and doesn't necessarily have to provide leadership ... I think I am entrepreneur that I am always being prepared to do things based on opportunities in front of me. So I do consider myself entrepreneurial but not a strong leader. I am more an entrepreneur rather than a leader.*

BO09   *Entrepreneur is somebody who wants to do deals. They may be a leader and they may not be a leader. Entrepreneurs are wild cards; they are kind of mavericks. They are people who do not fit into systems...John Demartini, he is very entrepreneurial and very inspirational. He influenced a lot of people, including me, but he is not a leader in that sense. He is pretty much a one-man band. He does not have a big institution around him. He does not want followers. He is very much a stereotypical entrepreneur, a bit outside of the box, unconventional.*

... I have been self-employed most of my life. I am quite entrepreneurial and I am not so good at working in organisations. [However] I haven't been such a good employer. I am demanding; I am a little bit too directive with people ... I can inspire people in my work as a lecturer or consultant, but not when I am an employer, with people who have to work for so many hours for so much money and generate such and such results.

Most interviewees agreed that entrepreneurs do not have to be leaders, but a few argued that most successful entrepreneurs are also competent leaders who aim to grow their businesses into large, long-lasting enterprises and demonstrate excellent leadership to fulfil this vision. Two quotes illustrate this viewpoint:

BO16   *Successful ones [entrepreneurs], not everyone [having leadership] ... I think the size of the business is matching the abilities to lead of the entrepreneur. So people who can lead a bigger flock can actually grow bigger businesses. It actually matches their leadership abilities, and people can be in different levels.*

BO19   *If an entrepreneur does not have leadership skills, I do not think she or he would be successful ... I think they are successful because they are entrepreneurial leaders; not the other way around [that they are entrepreneurial leaders because they are successful].*

Turning to the *leadership perspective*, the general view (illustrated by the first three quotes below) is that leaders with entrepreneurial mindsets and traits are more willing to assume broad responsibility, identify opportunities and focus on innovation and improvement, and are more driven and effective in achieving results. Some participants (e.g. CM05 and CM22) considered entrepreneurial skill a desirable but not necessary quality for leadership. Public sector managers further pointed out that entrepreneurship is not well-regarded in organisations such as a law enforcement agency or an educational institution where it challenges the organisational culture (e.g. CM21).

CM05   *You need to understand that entrepreneurial leadership is something that not all leaders may aspire to. Certain leaders may be good at traditional style leadership roles; that's what they like and that is what they can do great.*

... Senior managers who start a new function in an organisation, I believe that they need quite entrepreneurial leadership to be able to establish a new function, a new role, and to convince other members of the organisation of its importance and to get their buy into it. So it's really building a broader team that doesn't necessarily report to you, but works in an organisation together to achieve the same objectives.

CM07   *He is a leader but he is also entrepreneurial. I saw him being different because he worked at being more innovative, more original, being different to other leaders ... He is very focused on achieving his objectives. He intends to inspire and motivate people working with him and for him.*

CM17   *I think of her as opposed to some other government leadership styles that I have seen. She has a very strong leadership style that is certainly blending private and public sectors way of leading together. She tends to have a wide-scope of involvement across a number of sectors, and shows more of an entrepreneurial focus on leadership for bringing the organization to a higher level of delivery of services.*

CM22   *I won't say it is one the strongest aspects of how a manager leads ... I believe that as a corporate leader, entrepreneurship is only a small factor in the equation.*

CM21   *For a government organization, this is not one of the values they would stand for as corporate entrepreneurship ... They would say we encourage you to take ownership of your business and forward thinking but they would not use that language because that language is too scary. It is just too scary for them as a concept [entrepreneurial leadership].*

Three opinions on the relationship between entrepreneurship and leadership

Three other common responses were more specific than the general leader and entrepreneur perspectives above. One saw the concepts of entrepreneur and leader as deeply linked and *complementary*. In this viewpoint, many people fit one or the other role but true ELs can do both. For example, leadership is critical for start-up founders wanting to grow a business, while corporate entrepreneurship – involving drive to achieve, creativity, risk-taking, autonomy and persistence – is fundamental to enterprises of any age or size.

BO09   *They [leadership and entrepreneurship] are complementary. Both are needed for success. Some people have one; some people have the other. Some people can have both. ... For example, people like Steven Jobs, like Bill Gates, they have ideas and they drive the idea machine. They have people underneath them, the more nuts-and-bolts person. Those people do not have ability to create the vision but they can transfer those ideas.*

CM24   *Leadership and entrepreneurship are very closely related in many respects. An entrepreneur has many definitions, but if you want to set up, run and grow a company, you need to have some leadership capacity. You have to basically start to take on a team so you have to learn leadership skills. It is a critical thing ... We also need to create or design large organisations where people can feel they are the entrepreneur in their own business. Corporate entrepreneurship, let's call it enterprise behaviour, has five components: achievement drive, creativity, risk-taking capacity, the ability to be autonomous, and persistence. These five qualities are fundamental to enterprise, any age and any size.*

A second group saw *leadership as a broader concept* than entrepreneurship. Entrepreneurship was seen as an economic phenomenon based on private ownership and profit generation while leadership was seen as existing in any area of society as an influencing process focused on people and purpose rather than profit. An entrepreneur is

driven by personal ambition or other egotistical motivations, while a leader shares a vision with followers and addresses organisational goals. Some participants particularly emphasised that leaders must have high ethical standards while entrepreneurs, even successful ones, may not necessarily have the integrity to succeed in entrepreneurship.

BO06   *The attributes that I identified as being entrepreneurial attributes are not as same as the leadership attributes. And I think the requirements as far as the entrepreneur concerns are quite distinctly different from the requirements of a leader … Alan Bond, very entrepreneurial, he had a vision and did it very successfully, but he was not a leader because one of the other attributes that I see a leader is that ethical good standards. Alan Bond did not, absolutely not.*

BO09   *I think there is a big difference between a leader and an entrepreneur. Entrepreneur is somebody who wants to engage in economic activity while leaders might be someone like Dalai Lama or Kofi Annan who does not concern with financial remuneration. They concern with missions.*

CM10   *I think entrepreneur and leader are two different things. A leader is a person who takes people along with you to achieve a common objective. An entrepreneur is good at mobilising different sources to achieve a goal. Sometimes they do not need to take people along with them … I think leadership is broader than entrepreneurship.*

In real business, as an entrepreneur, you sometimes tend to cross the line, do something you shouldn't do in order to achieve the outcome, making money for example. As a leader, I do not think you can do that, because as a leader, you must demonstrate integrity. If you are not ethical enough, people will not follow you.

For the third group, *leadership simply inheres in entrepreneurs* along with entrepreneurial attributes such as creativity, intuition and risk-taking propensity. Therefore all entrepreneurs are either natural-born leaders or become a leader when they adopt the entrepreneur role. However, these participants did not consider the role of leadership when an entrepreneur has no employees, such as a sole operator of a small business.

BO03   *Well I think it is just a natural part. You can't be an entrepreneur without being a leader. You just can't. But you can be a leader without being an entrepreneur. It may sound like a contradiction. I think that all human beings are hard wired in some*

way to lead in some way ... An entrepreneur has to have leadership skills as well as being an entrepreneur.

CM18   *I think entrepreneur, on its own, without leadership, does not exist. I am not sure; does it? I can't think of any. I think any entrepreneur gonna be a leader. So any entrepreneur is an entrepreneurial leader.*

4.2.3   Characteristics of ELs

Participants tended to build their perceptions of entrepreneurial leadership by comparing the characteristics of entrepreneur and leader. All clearly identified similarities and differences, and by integrating these created a portrait of entrepreneurial leaders. The most frequently mentioned common characteristics, all mentioned by more than ten participants, are *vision*, *ability to attract the right people*, *risk-taking*, *innovation and creativity*, *opportunity-orientation*, and *need for achievement*. Five other common characteristics were mentioned less frequently but do contribute to a more complete picture: *inspiring, courage, persistence, passion* and *intuition*. These eleven characteristics are discussed below.

Vision

As in the questionnaire, the most commonly mentioned characteristic of ELs was Vision, cited by eight business owners and eight corporate managers in the interviews. For these participants, an EL sets a clear direction for the business and pursues a growth strategy based on challenging goals and future possibilities:

BO01   *I can see very clearly where I want to take the business ... One of the characteristics of entrepreneurial leaders is to see things that other people can't, and have the belief that you can make the things happen.*

CM05   *The difference is, I believe, as entrepreneurial leadership I see that you've got to be able to set the direction of people and where you want a business or a role or a function to go.*

An EL is seen to constantly communicate his or her vision to persuade others to join in, transforming a personal ideal into a collective enterprise. BO19, CM05 and CM18 are examples of self-identified ELs who communicate their vision to gain others' commitment.

BO19   *You need to be able to communicate your passion and your vision in order for people to follow… So if I lacked communication skills or the way to inspire people by talking to them about it, then they would not be able to buy into my vision. I think that is really important that you can communicate your vision to other people and have them adopt that as their own vision.*

CM05   *Senior managers who start a new function in an organisation, I believe that they need quite a bit of entrepreneurial leadership to be able to convince other members of the organisation of its importance and to get them buy into it.*

CM18   *I guess I try to create a vision for where we are going to go, and I am trying to get people to buy into that vision and to feel ownership with that direction. Making sure people feel like it is not just my idea. It is a positive way forward; we can all work towards making our organisation a better place. I find people work much harder and much more passionately and thoroughly if they feel like they have the ownership of the idea or direction. So I consider myself try to sell the vision as my main plan.*

Participants considered an EL's vision should not only be compelling or engaging, but also value-based. An EL's *true* values should underpin the vision, and be persistently enacted and embedded in organisational culture. Such values go beyond profits and even the enterprise, extending to the greater good, a change to the world or an "immortal legacy" (see comments by BO02 and BO03): financial success is only a means to a greater end. For example, BO16 and CM18 describe profitability and growth as a means to sustain a business in which they pursue a vision underpinned by deeper values.

BO02   *They are driven to succeed; it is not just commercially successful but contributes to a greater good.*

BO03   *If you look at Steve Jobs, the lives of those people all have a long term vision that is way beyond their lifetime … some sort of immortal legacy.*

BO16   *You [business founder] need to set the true values for the company. That really comes from who you really are and what you really believe in. And there are different people doing different things. For me, it is to be able to make a better world, to impact other people, to help other people. That is the motivation for me. I know if my company becomes bigger and greater, the more I can impact other people, and help them in different ways.*

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CM18   *My vision [as a musician leader at an art academy] is to promote quality music, to give opportunities to professional musicians to express their talent, to give opportunities to students to perform in public, and to expose the audience, the people of Perth, to different styles of music. While we have to make money to make these all feasible, we also have to balance that need to make money with the artistic consideration.*

Ability to attract talent and build a strong team

The second most distinctive characteristic is EL's ability to attract the right people. ELs were perceived to be keenly aware of the importance of building a team to achieve their ideals:

BO08   *I think they [ELs] exhibited that characteristic of doing something that was different. Something that was new. Something that required some vision, but to a large extent they built a team around them to actually achieve that vision.*

CM11   *They must have very strong leadership to bring others in and put together everybody's energy and strength to turn this into a workable organisation.*

Participants said ELs have an unusual ability to attract *like-minded* individuals who understand the uncertainty and risk associated with entrepreneurial ventures. The self-identified ELs considered that their values, vision and even personality attracted employees to join the venture team. This connection allowed the leaders to communicate ideas and expectations effectively, and to create trust and commitment.

BO01   *You have to have ability to attract good people to work with you. Unlike established business where people go there for that established name and brand, when coming to an entrepreneurial business, a start-up company, usually people are attracted by the founder's vision and also personality and leadership qualities ... I pride myself on the ability to attract the right people to work with them and bring the best out of them for the common goal.*

BO16   *to find right people and to lead the people ... It depends on how far, how big is your goal. But really, on high level it is to give the vision to people working with you and make them believe we will get that. So you build up their faith in the company and they are committed to the company's vision.*

CM18   *Another thing is to make sure to get a strong team, a team that have belief and passion. They believe in the vision you created. That takes a lot of communication and a lot of explanation … It is important that the team share your values, so that they share your vision.*

Respondents also cited well-known ELs who demonstrated the ability to lead a highly competent and committed team. BO06 cited Steve Jobs, who was supported by a group of top-level executives committed to his vision, and CM25 related Andrew Forrest's success to a small core team surrounding him during the company's turbulent early years:

BO06   *Steve Jobs, first and foremost, is entrepreneur translating that into leadership. He is along the Richard Pratt line that he had the ideas but he got very, very good people behind him in order to implement those ideas. I consider him probably one of the best entrepreneurial leaders of the last 25 years.*

CM25   *I read that Fortescue Metal Group, Twiggy, he had a vision but he couldn't get there straight away. He had a very, very small staff at the beginning. He couldn't pay them because he didn't have enough money, but he had the vision and they all believed he gonna make it happen. He gave them shares of the business, and everybody worked together towards one main goal.*

Risk-taking propensity

The third common characteristic is a tendency to take risks. ELs were generally perceived to be more risk-prone than non-ELs, although less so than pure entrepreneurs. That is, ELs reside in the middle of the risk-taking continuum. This was mostly directly expressed by BO09 and CM24:

BO09   *Entrepreneurs are risk-takers. Leaders may be risk-adverse. So entrepreneurial leaders will be a hybrid; they will be a synthesis. I think they will be less risk-adverse than a straight leader. They'd still be risk-takers.*

CM24   *The culture of organisation is totally adverse to risk. We need to create or design large organisations where people can feel they are the entrepreneur in their own business areas. So you have to accept that if you want to unlock enterprising capacity and innovation, you must take risks but you must evaluate risks. While pure*

entrepreneurs are more adventurous: they are willing to put head on chopping block. ELs take calculated risks.

Many participants also saw business owners as more prone to risk-taking than corporate managers because business ownership entails risk (see BO02, BO08 and CM10). However *corporate* ELs were more risk-taking than non-entrepreneurial managers, proactively taking ownership of the job and acting more like an owner-manager than a hired manager (e.g. CM21).

BO02   *If I am an executive reporting to a board which I do not control, then obviously I have less control or influence over all decisions; while if I am in a company which I founded and am fundamentally controlling, I have all freedom. So it is the difference of degree of autonomy and freedom, which is important for strategic decisions and risk-taking.*

BO08   *The big difference is in the area of ownership and commitment. It's a different level of risk taking. For corporate leaders, their task is to bring a team around them to actually achieve an outcome, but at the end of the day, the risk is associated with somebody else. When you're an owner, an individual entrepreneur, generally the risk resides with you.*

CM10   *In general terms, an entrepreneur takes greater risk than a leader. That is my perception … it is different authority and objectives due to the different ownerships.*

CM21   *Within our organization, the way we kind of refer to this [corporate entrepreneurship] is as business owners. For example, I am responsible for member service area and that is referring to as our business. So you are effectively your own business owner; you can be entrepreneurial in your own area, making change, innovation, not afraid of risk and failure … He [the EL] took that business [a new business unit] as his own. He often said "it is safe but I am not doing it that way".*

On the other hand, ELs were considered more cautious in taking risks than pure entrepreneurs, taking more responsibility for the sustainability of the business and for their employees. On the other hand pure entrepreneurs may lack long-term accountability to others and therefore tend to be over-confident in taking risks.

BO04   *Very often entrepreneurs are not capable of running the business for a long term ... They are kind of "bravado", like over confidence ... They establish something in very tough conditions and taking huge risk on themselves and also put their business partners and clients at risk.*

BO16   *I am the top decision maker; I need to protect my employees and also have responsibility to clients. I take risks in that I make big decisions which if fail could be most costly for the company because I am at the top ... The bigger that the company, the greater that the responsibility.*

Creativity and innovation

Creativity and innovation were frequently cited as defining characteristics of ELs: for many participants being entrepreneurial means doing something new or different with a business outcome in mind. For instance, BO08 differentiated ELs from inventor entrepreneurs: ELs focus on value-generation while entrepreneurial inventors are motivated more by the novelty of an idea than materialising it in the market. According to CM05, ELs are more creative than traditional managers in creating new products or services *and* in turning them into successful businesses.

BO08   *I think they [ELs] exhibited the characteristic of doing something that was different, something that was new ... A manager tends to manage and coordinate what he is doing now and may try to do that a little bit better, but a corporate entrepreneur would be looking to do something completely new and achieve that. There is understanding of innovation that something can be done differently and that in doing things differently there is value to be achieved ... I do observe a lot of people calling themselves entrepreneurs, but they're really just inventors. They're not building a capability to be able to realise the value of that new opportunity.*

CM05   *[As an EL] You've got to be the one that can take that idea, that concept to the next stage and turn innovation into something tangible. That's the difference between entrepreneurial leadership and leadership in general in terms of creative thinking and capability of execution.*

Interestingly, while some participants readily identified themselves as ELs in all senses, others considered themselves *partially* entrepreneurial leaders who were innovative only up to a point because their organisation did not encourage it. These participants saw themselves

as less risk-taking, visionary or opportunity-driven than exemplar ELs such as Richard Branson or Steve Jobs. However they did believe their creativity and willingness to embrace unconventional ideas helped them outperform other business owners or managers.

> BO13   *Yes in both settings (corporate and own start-up), my job is to create, but the packaging is different ... I think leadership is personality driven. I have certain strange style for some people and they do not like it. In government I had to convince people that I can achieve and achieve more because if you are too creative they think you are not working ... Regarding other entrepreneurs, good entrepreneurs take limited resources and redesign them in new ways to generate value. They are creative and are more likely to become successful.*

> CM10   *I am an academic leader. I can't say I am an entrepreneur because I have never done any business. However, of course I do have a number of characteristics being entrepreneurial. For example, I am multidimensional ... Also I am creative, in developing a product or in developing an approach to solve a new problem. These traits could be transferred to entrepreneurship in the future.*

Pursuit of opportunity

Twelve participants identified vigorous pursuit of opportunity as a defining characteristic that distinguished entrepreneurs from other types of leaders. Corporate managers (e.g. CM05, CM21 and CM22) perceived that, unlike most traditional managers, corporate entrepreneurs would identify and relentlessly strive to realise opportunities despite obstructions such as a conservative culture or a hierarchical structure. However, as noted earlier, unlike entrepreneurs, ELs have the capacity to create a team to help realize an opportunity (e.g. BO04):

> CM05   *You've got to be able to be in a position to identify and exploit opportunities if you're an entrepreneurial leader, and exploit them so that you get maximum advantage for the organisation. Not every manager in the company is driven to look for new opportunities, new markets, new function, services ...*

> CM21   *So I'd say, in a way he is a corporate entrepreneur because he recognised the gap and grew the business with inside an organization. But a lot of people in the organisation do not. "Do not test the waters too much" they would say ... I knew how*

difficult it was especially in a government agency like ours where procedures and process are more important than opportunity.

CM22   *I give you another example. This individual started as an IT consultant, employed by a very large trading company. Shortly after being working for a short time, he approached his managing director, but you know he was just a small IT manager, with a proposal for establishing an IT service agency because he found there were huge business opportunities ... He is provident himself; he sees the opportunity and seizes the opportunity.*

BO04   *An entrepreneur is just looking for opportunities and doesn't necessarily have to provide leadership. He can just look at opportunities and say "That suits me and I can go in there and do something there, selling some products or services and making some money." However in terms of entrepreneurial leadership, they can actually draw a lot of people into them, into what they believe are good opportunities and work together ... they can see the big picture, engage more people, and seek opportunities for business in the long term.*

Need for achievement

The sixth common characteristic is need for achievement. Interviewees perceived ELs as highly achievement-oriented, setting challenging goals, continually improving themselves, and taking on new challenges. Their leadership style involves passion and dedication to the job, whether in a start-up or a company project. In *business owners* high achievement leads to a clear vision and idealistic goals, a genuine belief in their enterprise that inspires others to join it. They focus on growth of the enterprise, not just profit generation, seeing it as a source of personal fulfillment rather than just wealth.

BO02   *I have a bias towards performance and getting things done ... Certainly financial success is important, but what I want to achieve is more than just building a profitable company ... Contributing to the greater whole, I mean, I want the organisation to be a great place to work, developing staff, looking after customers in a genuine way and providing services and products that are truly needed and built to last. It takes practice and discipline to achieve, but it's definitely worth doing because with it comes clarity of thought and leadership presence.*

> BO16   *Entrepreneurial leaders, they are in business world. So I think firstly they are able to make profitable business and grow organizations. That is why they call them entrepreneurs. They not only make money but enterprise ... They are always setting goals much bigger than what they really are because that is the only way how they can grow. So they don't satisfy where they are, they actually always go ahead; they always see further. They do not stop.*

Similarly, high achiever *corporate managers* were seen to prefer challenging tasks over jobs with attractive titles or high salaries. Where other corporate managers have a high need for power or group affiliation, ELs have a high need for achievement and strive for personal or team goals rather than establishing their authority or increasing their status.

> CM05   *I'll give you a very real example in this organisation, where the role I'm responsible for is risk management on a global level where previously they did not have that. No one wanted to take this new function because there were limited resources but greater responsibilities. I believed this function is really important for the company so I set up this unit and now we operate globally in four continents ... I do not have a VP title or a large team ... I believe what I am doing is rewarding.*

> CM17   *She [an EL in the organisation] is determined to bring the performance to a higher level ... She is not afraid of making hard decisions, and encourages employees to work on hard tasks. She is very competitive, confident and even aggressive, very strong in delivering what she wants in spite of confrontations with senior management … I have been around in government agencies for a long time and I have seen both male and female leaders, [but] this is probably not something I have seen on a regular basis.*

Other personal characteristics

Five other characteristics that were mentioned by five to ten participants complement those above. First, ELs are *inspiring*, able to motivate and convince others:

> CM24   *For successful entrepreneurs and leaders, what they do very well is they bring together other people to work together on the project or process to achieve something. And that is one of the most critical things we need to focus on, the capacity for people to use other, to encourage other people, to inspire other people, and to be*

involved with them. That is what entrepreneurship and leadership overlap in many respects.

Second, ELs show *courage* by taking risks, making hard decisions and withstanding failures, as illustrated in quotes below from BO01, BO02 and CM17. However, BO04 went further to point out that courage in an entrepreneur can lead to hubris and even ethical lapses:

BO01   *We saw what other people did not see, and we had the courage to actually not to be led by them but we lead them, to get them to accept what we believed in. This is one of the situations [of entrepreneurial leadership].*

BO02   *Definitely to be fearless; what I mean by that is to be brave, to take risks. This is really an important one [characteristic] I think ... Things do not go the way that you planned, and they do not work out, so you need to have courage to face failures.*

CM17   *She [the EL] is not frightened to make the hard decisions which she decided that something is going to have to change or something need to be done differently.*

BO04   *The person I am thinking of at the moment, a true entrepreneur, organised conferences upon in Asia and he spearheaded that with a lot of "bravado", like over-confidence. So because of his bravado he was able to get a lot of people to believe in him and attend his conferences ... There are some ethical issues in terms of that he has to over-promise to get people's trust. In that regard as I said I could not do that type of thing because my integrity is more important than that so I chose to do different things. I believe long-term success of any business must be founded on integrity. To me that is the ultimate in entrepreneurial leadership for establishing and running a company.*

Third, ELs were characterised by remarkable *persistence*. For example, BO02 described ELs' entrepreneurial side as single-minded and focused while CM18 described ELs as persistent in pursuing a vision but also flexible in achieving it:

BO02   *... quite single-minded and focused, in an entrepreneurial sense ... [in comparing to other leaders] they would be very persistent. They would work very hard to make sacrifice to get things done.*

CM18   *So being able to be persistent and sticking with the idea and vision, and then making people realise this is a good way forward. But also being able to take criticism and being willing to change and modify when it is appropriate.*

The last two characteristics are *passion* and *intuition*. For example, CM21 and CM24, both corporate managers, considered corporate ELs more passionate and insightful about making a difference to the organisation than traditional leaders. BO03, a self-identified EL business owner, referred to intuition as "knowing how to listen to yourself" and considered it critical for understanding the market and knowing the right thing to do.

> CM21   *Traditional managers, you'd think of something like manager's work flow that gets the job done, you know, the inputs and outputs, while a corporate entrepreneur is somebody who I think has the same qualities but is more passionate, more enthusiastic, and more insightful. They actually want to make a difference not just to get work done.*

> CM24   *Entrepreneurs in a corporate environment often deal with things in an intuitive, less systematic way. Their intuition and their capacity of taking calculated risks, you have to accept that if you want to unlock enterprising capacity and innovation within the organisation.*

> BO03   *An entrepreneurial [person] is pragmatic and intuitive, being able to spin a coin … In the process of getting to where he needs to get to, he is very open to changes at times. He is able to predict markets. He uses his intuition to understand that stuff… Intuition is very important. You have to know how to listen to yourself. You have to listen to your inner voice, and be able to stand for what you know as right.*

4.2.4   Summary

All participants demonstrated a sound understanding of entrepreneurial leadership. An EL was typically seen as a business venture founder or a more entrepreneurial corporate leader, but a few participants also recognised ELs as agents of social change.

Participants elaborated their perceptions of entrepreneurial leadership by drawing on contrasts in their 'implicit theories' of entrepreneurship and leadership. Generally, business owners perceived the concept from *an entrepreneur perspective* while corporate managers took *a leader perspective*. The former implied that not all entrepreneurs are capable of leading a group of people towards a common goal, although some considered that entrepreneurs aiming for a long-lasting enterprise need leadership capacity to achieve it. From the *leadership* perspective, corporate ELs were perceived as innovative, opportunity-

oriented and results-driven, and therefore they were considered more effective in achieving outcomes and coping with changes than non-ELs.

Participants saw the relationship between entrepreneurship and leadership in three ways. For some they are *mutually complementary* concepts. Others considered *leadership broader than entrepreneurship* because leadership is relevant to every human institution while entrepreneurship is mainly relevant to the business world. True leaders also have a broad vision and high ethical standards while entrepreneurs mainly focus more narrowly on personal goals and pragmatic concerns. A third group saw leadership as an *innate capability of all entrepreneurs*.

Despite these differences, leadership is generally seen as a core capability of entrepreneurs who grow ventures into self-sustaining enterprises. Likewise, entrepreneurial skills greatly contribute to corporate leadership effectiveness, especially in senior managers who initiate organisational change or new corporate ventures.

Six personal characteristics were frequently identified. ELs are seen as individuals with compelling, engaging and value-based *visions* who can *attract like-minded people* into high-performing teams. They are considered *calculated risk-takers*, less risk-adverse than traditional managers but less risk-taking than pure entrepreneurs. ELs are also seen as *creative and innovative*, contributing new ideas that add value to the organisation. Related to this is being more *opportunity-oriented* than traditional corporate managers who focus on process and procedures, and more *team and future-oriented* than pure entrepreneurs who may be very opportunistic. Finally ELs have a high n*eed for achievement*, with goals based on performance and self-fulfillment rather than merely making profits or securing a senior position in the organisation. These six are related to five less common characteristics: *inspiring*, *courageous*, *persistent*, *passionate* and *intuitive*.

4.3   Pragmatism and Ethics (Research Question Two)

Research Question Two asked whether ELs are more pragmatic than non-entrepreneurial leaders, and whether this affected their approach to ethical issues. At first glance, ethics and pragmatism appear to be conflicting elements of the concept of entrepreneurial leadership. In a widespread 'implicit theory' of entrepreneurship, entrepreneurs are less concerned with ethics than achievement. On the other hand theories of leadership often portray leaders' ethics

as important to their influence on others. Participants were asked whether ELs approach ethics differently to other leaders, then specifically whether they are more pragmatic. They were then asked to explain their view of pragmatism, and how this affects leadership ethics. Their answers often showed a complex interrelationship between pragmatism and ethics. Appendix G provides a summary of the findings of Research Question Two.

4.3.1 ELs are more pragmatic and more ethical than non-ELs

When asked about pragmatism and ethics in ELs, the majority of participants described ELs as more pragmatic *and* more ethical than non-ELs. Pragmatism was seen as necessary to an ELs' entrepreneurial achievement (CM07) and creative discovery of new possibilities (BO01 and CM10). Pragmatism and ethics could be reconciled by placing ethics first (BO02), by seeing ethics as a practical issue (BO16) or by balancing the two considerations (CM21). How they are reconciled is considered in more detail in the next section.

CM07　　*I think it is a positive quality; it gets done what needs to be done.*

BO01　　*While managers usually just go by the company's guidelines, entrepreneurial leaders may see a little bit more than that; they see more possibilities in handling a situation.*

CM10　　*It [being pragmatic] is like being creative, being flexible in dealing with particular person or particular event for expected outcome.*

BO02　　*I'd actually place integrity first, opportunity second.*

BO16　　*They [ELs] have greater responsibility so they give deeper considerations. Because if they won't try to live by proper ethics, then they would never grow the company. They would not attract the right people.*

CM21　　*Well it is positively because if you say it is pragmatic, you say it is balancing things up therefore making a balanced, just decision.*

Only a small number of participants thought ELs pay less attention to ethics than to achieving business goals. In this view a pragmatic approach impedes ethical leadership:

CM17　　*There is an element of dollar-driven motivation and bottom line, this is a very strong outcome, and therefore ethics sometimes are back-benched until they achieve*

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what they want to achieve ... I think it is negative. Making a pragmatic decision for me sometimes means it is not highly considered; that is, there is not a lot consideration given to the impact of decision on human resource side, but considering only the end result.

Interestingly, some self-identified EL participants did not give a clear-cut answer to the question of whether ELs differ from non-ELs in handing ethical issues. However, their responses show that they are well aware of the ethical challenges of entrepreneurship and are highly confident in their own ethical judgement. In the quotes below BO19 sees developing self-awareness as the path to resolving ethical dilemmas, while CM18 sees being ethical as just 'common sense' since unethical practices are unnecessary or risky. These answers suggest a 'reconciling' approach similar to the first group of participants.

BO19   *When facing an ethical dilemma, people often make a decision based on what is going to affect them personally, like 'Am I going to lose any money out of it?', and I think that would scare them. So they may say let us do the unethical thing, knowing it is unethical but feeling it is a safer way and they might hang in there a bit longer. Whereas I think an entrepreneurial leader, who is more with self-awareness, would say this is not the correct way to go. And you have to have self-confidence and courage to say 'No, I am prepared to stand up even though I am choosing a way that is going to be worse for me'. You are confident, with your own skills, to overcome whatever difficulty might come out of that.*

CM18   *I can't ever recall I have any ethical problem as such. There is always question in ethical process and procedure that you need to be fair, equitable and not corrupt, not trying to do things for the wrong reasons. You can try to break them but it is silly business move to try to take that risk. It is very silly to try to pursue unethical business, and I do not think it necessary either ... Some people obviously do and end up with big trouble.*

4.3.2   Three approaches to pragmatism and ethics in ELs

The positive and negative approaches to the relationship between pragmatism and ethics identified above were also evident when participants were asked more specifically what pragmatism meant to them and how it influenced ethics. Three themes emerged in which pragmatism was identified with action, with realism and flexibility, or with balancing

opposed values. Each theme had different implications for the relationship between pragmatism and ethics.

Action-oriented and results driven

ELs were generally perceived as decisive persons who solve problems quickly, focusing on the substance of a problem and not getting distracted by emotions. This action focus reflected characteristics described in 4.2.3: a drive to achieve by bringing an entrepreneurial idea to fruition (see BO01, BO03 and CM07), and creativity in finding new solutions or win-win resolutions of difficult problems (CM05 and BO09). In contrast, traditional managers were seen to follow rules and focus more on process than outcomes (CM10).

> BO01   *Being pragmatic is being practical ... to get the job done, get business done ... because at the end of the day sometime people can focus on a lot of forms without getting the substance.*

> BO03   *I suppose pragmatic is about being practical; is about not getting caught in emotional situation. It is to use my intuition and say "OK, what is the right thing to do?"*

> CM07   *In general, getting the job done, achieving the outcome and achieving objectives regardless of how.*

> CM05   *Being pragmatic is being more practical in a situation like that. It will give you a better outcome and give you a better vision of where you want to go ... you've got to be able to handle situations differently and in a practical manner, cutting the red tape and just finding a solution which is practical, the best is a win-win for both parties.*

> BO09   *This is pragmatism, by combining two unrelated things into a new model. An entrepreneurial leader is someone who can think in that way, who can come up with innovative solutions to what seem a problem that has not solutions.*

> CM10   *She has strong leadership but I do not think she is an entrepreneurial leader. She is inflexible, driven by regulations and rules, lack of human touch and can't compromise.*

However, for some respondents this focus on action and results raised questions about ethics. For example:

CM17   *For my own thought of being pragmatic, to a degree [it is] making a decision that is perhaps considering only the end result. Pragmatic people usually made quite quick decisions that have to be made and so there is not a lot consideration given to the impact of that decision. And that can be detrimental, especially for a leader.*

Realistic and flexible compromise

ELs' pragmatism was also related to a realistic and flexible attitude that does not necessarily lead to ethical problems. ELs can compromise their ideals to achieve a practical solution (BO04), to adapt (BO06), or to find a 'common sense' outcome or a 'middle path' (CM18).

BO04   *[To] recognise a realistic situation in front of you and take action based on that; and not necessarily in accordance with your idealistic goals. So you may temporarily, or even permanently, sacrifice your ideal for a pragmatic solution.*

BO06   *I think they are more pragmatic that is able to adjust to meet the needs. An entrepreneurial leader would be more able to adapt to the certain circumstances than say, a pure leader.*

CM18   *Pragmatic is being sensible, common sense, ensuring you do not work outside your means. Pragmatic is being careful, not taking on toward risks, not being too dangerous.*

However, the unethical side of entrepreneurs noted above was also evident when discussing compromise. Three respondents saw a 'slippery slope' between values and outcomes (CM24), particularly those involving money (BO09 and CM10).

CM2*4   Pragmatism is being realistic about things, and also be less black-and-white. Pragmatism is a form of compromise, for instance, like the politician talking about 'the art of possible' ... to come up with thing which not only they think they should do, but also they can do ... To achieve a certain outcome, you have to get certain amount of pragmatism. But where do you draw the line between ethical behaviour and pragmatism, it is a slippery slope.*

BO09   *I think a lot of entrepreneurial people, because they are driven especially towards money, they'd cut corners.*

> CM10   *In real business world, it is about making money, making profit, and sometimes they tend to cross the line, do something they shouldn't do in order to achieve that outcome.*

Balanced between competing values

The most positive relationship between pragmatism and ethics was revealed in the notion of balanced decision-making. ELs were considered good at balancing competing perspectives, such as costs versus benefits (CM10), short-term gains versus long-term reputation (CM11) or personal goals versus others' goals (BO13). Ethics is paramount in this balancing.

> CM10   *A lot of issues have two sides, a benefit side and a cost side. Sometimes some people are inflexible in a way that they only look at one side without seeing the other side. Be pragmatic is to be flexible and balanced between the two sides ... [ELs] tend to be pragmatic, balanced within a framework of ethics. I do not say that would become unethical.*

> CM11   *Pragmatic is being more analytical, being more balanced in your judgment, weighing up the pros and cons ... You have to be careful your desire to be entrepreneurially successful does not override the ethics that you must comply with. If you vary too much in your ethical judgments, it can then compromise the organisation where you are putting the success of entrepreneurship ahead of ethics. So it is really about the balance to be made. It could be short term gain of compromising ethics, but could be long term disaster.*

> BO13   *Yes. They can be. Maybe they can come to an ethical balance if there is such a thing. If you understand the ethical boundary, ethics barrier is not necessarily a bad thing. You could create a new idea which maybe works for you and works for them, and make money.*

Balancing competing values also involves the tension between idealism and realism. On the one hand, ELs' passion to create something new may lead to an idealistic vision, but ELs are also realistic and able to balance this with the bottom line and practicality.

> BO04   *The ideals are important to give a general direction to go in, the pragmatic is really to deal with day to day situations. Our ideals are the guiding line as to what we like to do; we also have to be realistic and deal with the situation that is actually in*

front of us, even know that we even do not want to head there … In general, pragmatic is to recognise a realistic situation in front of you and take action based on that; and not necessarily in accordance with your idealistic goals. So you may temporarily, or even permanently, sacrifice your ideal for a pragmatic solution.

4.3.3   Summary

Respondents had mixed views about the relationship between pragmatism and ethics in ELs. Answers to a general question about this typically suggested ELs were both pragmatic and ethical. When asked what pragmatism means, and how it relates to ethics, a more complex picture emerged. ELs were seen to be more practical and results-focused than other leaders, which a few participants thought involved compromising ethics more than other leaders. ELs were also seen as realistic and flexible, but this could involve a "slippery slope" in choosing between competing values, particularly when profit is involved. Finally, pragmatism was identified with balance between competing values in which ethics were a fundamental consideration. This perspective showed the most positive relationship between pragmatism and ethics.

While leaders are often seen as ethical and entrepreneurs more action-focused this dichotomy is simplistic when applied to ELs. Most respondents thought pragmatism and ethics could be made harmonious by seeing ethics *as* pragmatic, by seeing pragmatism as requiring some compromise in values, or by finding an ethical balance between competing values. However, some thought mixing entrepreneurship with leadership necessarily involved a "slippery slope" down which some leaders had fallen by focusing too much on outcomes such as profit.

4.4   Resilience of ELs (Research Question Three)

Research Question Three asked participants about their perceptions of ELs' attitudes to failure. The findings suggested that ELs are more resilient than non-ELs. Five aspects of their attitudes to failure are highlighted here.

4.4.1   ELs are more resilient than non-ELs in coping with failure

A majority of participants saw ELs as more resilient than non-entrepreneurial leaders, since they take more risks and endure more failures:

> BO02   *I think they are more risk-taking as the more they fail, they develop their resilience.*

> CM17   *Because of the nature of what they do, they have to be resilient to survive and succeed, even in a government situation ... Most managers prefer to stay in the comfort zone but you can't be resilient if you have not ever failed ... I think for most of ELs that failure is not an option, but they would still require to be resilient when it occurs.*

Resilience was often seen as an innate trait making some people more resilient than others. Participants cited entrepreneurs such as Alan Bond, Steve Jobs or Jodee Rich as examples of extremely resilient individuals (e.g., BO06 and BO13). Resilience was related to risk-taking (CM05), an important attribute of ELs identified in 4.2.3, and failure as a motivator to try harder (CM21).

> BO06   *We see time and time again, people fail and come back. Alan Bond is a good example. He keeps on coming up again, like bad penny, keeps on returning ... The pure entrepreneurs, you throw them downstairs and they get up on it, looking for being thrown down again.*

> BO13   *It depends on the person, the personal circumstances such as focus, commitment, or hunger. For example, Steve Jobs, how resilient he was! Like his imagination, people can learn but can't emulate. He is a genius ... He got that lifelong resilience and made the most successful comeback.*

> CM05   *I think there's a different psyche to people who are entrepreneurial in terms of seeing opportunities, understanding risks and obviously being resilient as well. Certain other traditional leaders don't want to take as many risks as ELs, nor are they as resilient as ELs.*

> CM21   *I guess it is an innate thing. The failure is what excites them more about achieving next time, giving them the buzz of "Ah that did not go to the right way I want it to go, I have got to try harder".*

4.4.2   Five dimensions of ELs' resilience

Participants' views of the role of resilience in ELs can be summarised by five elements or dimensions: emotional regulation, learning and self-growth, open-mindedness, realistic

optimism, and passion and vision. These interrelated qualities appear to jointly constitute a distinctive personality trait underlying ELs' resilience. Quotes describing each are presented in Appendix H.

Emotion regulation

Participants thought that ELs effectively managed their negative emotions during adversity. They described a strong emotional reaction to failure, including depression, distress (pain or sadness), fear or disappointment (see BO19 and BO02). However, ELs were perceived to be generally less affected by negative emotions and more able to pick themselves up than other people. For example, self-identified ELs BO02 and BO03 reflected on how they consciously stepped away from bad feelings and swung into positive action. CM21 tended to take failure personally where a colleague she considers an EL would be less emotionally affected. Similarly, CM07 recalled how an EL colleague recovered from discouragement quicker than he himself did.

> BO19   *When we were going through that [business closure], obviously, I was feeling sad, distressful and all* sorts *of things. It was not the fear or what people would think if I failed or anything like that, but the disappointment.*

> BO02   *The first time I ever failed, I was devastated. I thought how could this happen; I planned everything; I knew the opportunity; but I under-predicted some market conditions. Then you think now I could fix it, how I could make better of everything. The challenge for me in that entrepreneurial circumstance was to let it go, to step away from the problem, and then to reinvent more complete solutions to it.*

> BO03   *Do I sometimes feel I am failed? Yes, absolutely. The question is what I do with that. I won't allow that to occupy my mind. I won't allow this to affect me ... I'd make sure I am able to get out there and turn it around as soon as possible.*

> CM21   *I put a lot of pressure on myself not to fail, and so if something goes wrong, it is tagged on personally whether it is my responsibility or not ... He seems not too bothered about failures. Maybe he just does not get personally affected by it.*

> CM07   *It was a hard day. He became despondent because things did not work. But the next day he comes back and we go again. I would say I took longer to get over that frustration and to get the excitement back.*

Learning and self-growth

A second theme is that ELs take failure as a valuable opportunity for learning and improvement. Many examples were cited in the interviews, involving failures resulting from EL participants' own mistakes (e.g. poor market evaluation, hiring the wrong people, unwise investments) or external problems (e.g. a business partner quits, fierce competition, no support from bank). These experiences helped ELs learn not just about the business but also about themselves, and can therefore be seen as a journey of self-actualisation. BO02 confessed that his first entrepreneurial failure led him to know himself better and this was crucial to his later success. Similarly, BO09 re-examined and re-affirmed her personal vision when facing the closure of her business, restoring her self-confidence during the process:

> BO02   *Without experiencing that failure that I under-predicted some market conditions, I won't have contacts for future entrepreneurial opportunities because I learnt I am a human. Very important.*

> BO19   *Because in facing that decision [to close the business] I had to really call into question my vision. I really did have to examine myself deep inside and I came to the conclusion that yes it was my true vision ... But if I had not been pushed to that limit, I would not have really known the depth of my vision, is it truly really authentic. So my view of failure is that it is extraordinary learning experiences because you cannot possibly be really successful if you have not failed or at least come really close to it.*

> BO08   *The company failed. My failure was that I did not really understand the capability and the integrity of the team that I was involving myself with. So my biggest lesson out of that was to make sure that you know who you're getting into business with, you understand their principles and their ethics, and if you have any question, do not participate with them, ever. So it is a learning outcome.*

> CM05   *Perhaps now that you've done something and you weren't successful, use that to your advantage and collect that information and use that knowledge base going forward into your next decision. So I think failure in terms of being an entrepreneurial leader is valuable because you learn lessons from that and you don't do it [fail in the same attempt] again.*

In this way, ELs do not just endure or recover from a hard time but actually grow to become

stronger and more vigourous, as BO06 and CM11 report. CM07 described how adversity discouraged him but inspired an EL colleague:

> BO06   *Possibly it sources some strength, that you see yourself coming out of the experience being stronger.*

> CM11   *They might fail many times but those failures would never stop them but make them stronger, like the old saying "what does not kill you makes you stronger" ... They will take bigger challenges next time and identify bigger goal next time.*

> CM07   *Failure tends to restrict my initiative. [However] a failure seems to push his initiative, and I think it is the difference.*

Open-mindedness

A third aspect of ELs' resilience is their tolerance to employees' failures and willingness to openly share their own experiences of failure. A number of participants believed that ELs are not only resilient in the face of adversity but also adopt a tolerant attitude to others' failure because they understand it is impossible to encourage innovation without this. BO16, a founding CEO, encouraged his employees to try new things and helped them overcome the fear of failure:

> BO16   *I encourage people to try new things, and I always help them to overcome the feeling of failure, that it is actually OK to fail. If they would not try new things, they would not fail. Many people really try very hard and they are struggling with failure. My job is to help them to understand that failure is no more than things than keep them from moving forward ... We have a "no-blame" culture. It actually makes people more responsible and more innovative in their work.*

ELs also communicate their failures in order to facilitate team-building, organisational learning and leadership development. CM05 and CM10, both self-identified ELs, considered open communication of failure important to building networks, facilitating innovation and corporate learning, demonstrating leadership integrity and gaining leadership credibility. They emphasised that open-mindedness requires self-awareness and emotional intelligence:

> CM05   *You need to be able to communicate and create awareness about those failures, not just to yourself but to all people around, because that is part of innovation, it is part of networking. One of the key characteristics of entrepreneurial leadership is*

building a network as well, and if you're prepared to share your failures with a network like that I think you'll become a lot more respected, especially people that you are leading, if you share that with them I think there's a huge amount of respect that is gained straight away.

You've got to know your strengths and weaknesses ... and you must also be aware of how vulnerable you are to other people's perceptions [because] there are certain people that would consider it a failure, there always will be.

CM10   *I am pretty open to sharing my failures with others, because I do not want people to fail again. I want people to learn from my failures and my experiences. I want it to be part of corporate knowledge. In this sense I am maybe more open than any other leader or entrepreneur. I am also willing to correct myself if I make a wrong judgement. If I made a wrong decision, I will correct; if I am right, I will stick to it. I always emphasise integrity in leadership. Without integrity, you fail leadership.*

Realistic optimism

Participants associated EL's resilience with two attitudes. A *realistic* attitude is needed since failure is an evitable outcome of entrepreneurial activity, while an *optimistic* attitude is needed to overcome the fear generated by past failure. ELs were perceived as realistic individuals who acknowledge the inevitability of failure and see reality as it is rather than as they expect it to be. This realism makes them flexibly attuned to the possibility of failure and aware of contingencies. As BO06 put it:

BO06   *There is almost an inherent recognition of the possibility of failure in some stage, so an entrepreneurial leader accepts that there would be potentiality of failure. They would attempt to minimize that, and the minimization goes back to the idea of having some sorts of contingency.*

On the optimistic side, ELs are seen as remarkably confident and determined not to fail, trying strenuously to overcome obstacles. For example, BO04 recalled that in the most difficult time when his company appeared to be failing he never considered defeat:

BO04   *I don't think there are entrepreneur leaders who actually consider failure as an option. In establishing a business, from my experience, your focus is not on failure; your focus is on success ... So the perception was really I was not going to let it fail. I*

worked against all the logical things that tell you it [the business] is failing. To me, in term of leadership, it was just really a blind commitment.

However, blind commitment can lead to over-confidence and may misguide a leader. One participant expressed concern over unrealistic optimism, asking "at what point do these people stop?" Most respondents, however, considered ELs to be not unrealistic optimists, imagining success while evading reality, but rather those who rely on realistic perception, endeavour, persistence, careful planning and careful strategy. CM18 was representative of this view, suggesting most ELs seek to avoid failure by remaining positive while maintaining realistic awareness and active engagement:

CM18   *They try to remain positive and work as hard as possibly to ensure they do not fail. That can make differences. If you lack control of your business and you just let it kind of roll, your chances of failure are much higher. If you are active, engaged, and positive, and you do keep a very close eye on your business, and make sure you know all those things that could possibly go wrong, then you can change things and make sure you do not fail … It is on their agenda, but the thing on their agenda is not failing.*

Vision and Passion

A final but important element of EL's resilience identified by participants involves vision and passion, two of the most important characteristics identified in the questionnaire data (4.1). Vision and passion provide purpose and drive in the face of adversity as these quotes illustrate:

CM22   *I believe they are [more resilient]. It comes back to their vision. General leaders may have the same vision; I think the passion for ELs, which is something driven within them, might be more encouraged to keeping trying, keeping trying.*

BO01   *The way I interpret failure is [people] give up on their dreams or what they try to achieve in the first place. Failing is only temporary … as you know nothing is guaranteed in life, especially in entrepreneurial approaches to business ventures. Finding a way that does not work is a common thing in business. It also has to do with your ability, whether you can adjust and find a better way to do things. You can always change the timeframe or change your vehicles or approaches, but you always hold on to your dreams and goals so you know where and why you carry on.*

CM11   *Even after failures they have the immunity almost. They keep coming back.*
They have a pursuit, a commitment, which comes back to perhaps passion.

4.4.3 Summary

ELs were perceived to be more resilient than non-entrepreneurial leaders. This was seen in their ability to regulate emotions, orientation towards learning and growth, open-mindedness, realistic optimism, and passion and vision. With a resilient attitude, ELs see failure not as a threat but an opportunity to learn. This attitude is based on experience with failure, something traditional corporate managers try to avoid.

ELs' resilience is considered a consequence of having a greater willingness to take risks than traditional managers, and having a greater focus on long-term organisational success than pure entrepreneurs. Resilience is the ability to grow through facing adversity rather than merely recovering from setbacks. EL's greater resilience is considered to give them a significantly different outlook on adversity and failure compared to business owners and traditional corporate leaders.

4.5   Summary of Findings

The findings can be summarised according to four themes. First, ELs are perceived to differ from both pure entrepreneurs and non-entrepreneurial leaders. Both questionnaire results and interview findings revealed a keen awareness of how entrepreneurial leadership differed from both entrepreneurship and leadership. Second, a number of personal characteristics of ELs were identified from the questionnaire and interview data. The most important of these is Vision, an important quality in the leadership literature. Third, the interviewees suggest ELs adopt a pragmatic approach to ethical issues, but this is seen as a positive rather than negative approach to leadership ethics. Finally, participants considered ELs more resilient in coping with failure than non-entrepreneurial leaders.

CHAPTER 5: DISCUSSION

This study aimed to ascertain the personal characteristics of entrepreneurial leaders and to examine their approach to ethics and attitudes to failure. This chapter explores the implications of four key findings. First, ELs are perceived to differ from both pure entrepreneurs and non-entrepreneurial leaders, and this distinguishes ELs in either category. Second, a number of personal characteristics of ELs were identified from the questionnaire and interview data, and these are categorised into distal and proximal leader attributes. The most important of these is vision, an important quality in the leadership literature. Third, the interviewees suggest ELs adopt a pragmatic approach to ethical issues, but this is seen as a positive rather than negative approach to leadership ethics. Finally, participants considered ELs more resilient in coping with failure than non-entrepreneurial leaders. This is related to attributes of authentic leaders identified in the literature.

5.1   Differentiating ELs from Entrepreneurs and Leaders

The questionnaire results and interview findings show that participants see entrepreneurs and leaders having some distinct characteristics and some common ones. The latter support the "common characteristics" model of entrepreneurial leadership (Fernald, et al., 2005a; Perren, 2002), but the former suggests entrepreneurial leadership is not solely defined by the intersection of its two subcategories but has unique characteristics of its own. Unique qualities were identified in the questionnaire results, but are more evident in the interviews where participants clearly saw ELs as qualitatively different to other leaders or entrepreneurs.

The discussion below begins by comparing ELs with entrepreneurs and leaders. It then examines findings on the common characteristics model, and finally highlights the importance of entrepreneurship in corporate leadership.

5.1.1   Comparing entrepreneurs and ELs

The interview findings suggest that only a small number of *entrepreneurs* are perceived as ELs. Participants indicated that not every entrepreneur has the motivation or capability to lead others to achieve goals such as establishing a large business enterprise or initiating substantial social change. Some mentioned capable entrepreneurs who prefer to remain a

'one-man-band' rather than become a leader of others. Other more ambitious entrepreneurs are *incapable* of leading a team or organisation due to a lack of leadership skills or awareness of the role of leadership in entrepreneurial success. As one business owner put it, "I have been self-employed most of my life. I am quite entrepreneurial [but] I haven't been such a good employer. I can inspire people as kind of my work as an entrepreneur but that is not when I am an employer, with people who have to work for me". Such individuals may be highly competent and successful entrepreneurs but are not leaders with a shared vision or the ability to motivate others. They prefer to create value and find self-fulfillment in solo or serial enterprises.

Participants were readily able to identify personal characteristics distinguishing ELs from entrepreneurs (Figure 4.1), including the leadership qualities of motivating and inspiring others, collective decision-making, encouraging optimism, diplomacy and managing performance. ELs were also seen to possess personality characteristics not typical of entrepreneurs: sociability, intuition and flexibility.

On the other hand ELs had a number of characteristics in common with entrepreneurs: risk-taking, creativity, persistence, opportunity-orientation, ambition and resilience, along with the four core characteristics shared with both entrepreneurs and leaders: vision, passion, integrity and self-confidence (Figure 4.1).

Risk-taking is widely seen in the literature as a defining trait of entrepreneurs (Carland, et al., 1996; Knight, 1964; Palich & Ray Bagby, 1995; Rauch & Frese, 2007; Stewart & Roth, 2001). In this study, the questionnaire results showed risk-taking is the top characteristics for entrepreneurs but not in the top ten of ELs (Figure 4.1). Consistent with this, the interview findings showed ELs were perceived as moderate risk-takers, less inclined to take risks than pure entrepreneurs.

Respondents also perceived an important difference between entrepreneurs and ELs in their attitudes towards ethics. Many entrepreneurs have become infamous for poor ethics and are not often considered as leaders. Examples cited include Alan Bond, Jodee Rich and Rupert Murdoch. These are 'pure' entrepreneurs in the sense of having remarkable achievements in growing businesses and creating wealth, but were not seen as leaders due to their questionable ethics. Ethics appears to be an important distinguishing characteristic of ELs, and is further discussed below.

The other similarities and differences identified are expected to follow the pattern of risk-taking and ethics. ELs' *entrepreneurial* side also involves qualities of creativity, persistence, opportunity orientation, and resilience, but these may be less prominent than in pure entrepreneurs. ELs' *leadership* capability includes attributes such as inspiration and diplomacy, which may also be less strong in ELs than pure leaders. Whether ELs' broader range of characteristics means some or all are less prominent than in 'pure' entrepreneurs or leaders is an interesting question for future research. On the other hand, the characteristics differentiating ELs from *both* subcategories – sociability, intuition and flexibility – appear to be especially significant in ELs.

5.1.2   Comparing leaders and ELs

The four top-rated characteristics of ELs in the questionnaire results – vision, passion, integrity and self-confidence – were also highly rated in leaders (and entrepreneurs, see Figure 4.1). Other leadership characteristics were less highly ranked in ELs. Ability to motivate and decisiveness are two 'top ten' leadership attributes also important in ELs, while inspiration, optimism, diplomacy and performance-orientation appear more important in pure leaders than ELs according to the questionnaire findings. In parallel with the findings of comparisons with entrepreneurs, future research should examine the suggestion that ELs are less 'leaderly' in these ways than conventional corporate leaders.

ELs are also seen as more sociable, intuitive and flexible than corporate leaders, suggesting many conventional leaders may be overly impersonal, formal and rigid, perhaps in response to corporate cultures based on rules and processes. ELs' entrepreneurial qualities may therefore challenge organizational values, as discussed in the next section.

5.1.3   How are leadership and entrepreneurship related?

Participants had three views on how the concepts of leadership and entrepreneurship are related. Some saw them as complementary, as implied by the 'common characteristics' model behind this study in which true ELs have characteristics of both leaders and entrepreneurs. A second group saw leadership as a broader category that applies outside businesses, potentially in any area of society. This view highlighted the ethical requirement of leaders to work for a better world. A third view was that all entrepreneurs are leaders in some way. This conflicts with the more common view of entrepreneurs as often lacking the ability or desire to

motivate others and preferring instead to develop new ideas or enterprises that others can maintain or build.

Although the first opinion best fits the approach of this thesis, the existence of two other implicit theories of this relationship cautions the researcher to analyse participants' responses carefully without assuming a universal definition of entrepreneur or leader. In this study, the semi-structured interview format allowed a deeper exploration of participants' perceptions.

5.1.4   The common characteristics model of entrepreneurial leadership

Previous studies of entrepreneurial leadership tend to follow a "common characteristics" model in which ELs are defined according to the attributes shared by entrepreneurs and leaders - the intersection of the two sets shown in Figure 4 .1. This study confirmed this view to some extent, in that the four top qualities of ELs were also found in both entrepreneurs and leaders. However, in other ways, the perception of ELs was more complex: three other 'top ten' EL attributes were found only in one of the two subcategories, and three more were not in the top ten for either subcategory.

Although this study is exploratory and uses a small and non-random sample, these results suggest future researchers should question the literal version of the common characteristics model. As noted in 4.1, if important characteristics of ELs are less important to both leaders and entrepreneurs, ELs may be represent a unique form of leadership (or entrepreneurship), not a subset of leadership (or entrepreneurship) qualities.

This perspective was also found in interview responses where respondents appeared to suggest ELs were more psychologically 'integrated' than either pure leaders or entrepreneurs. For example ELs were seen as able to resolve ethical dilemmas in ways that are both ethical and pragmatic (4.3.2), and to face failure by being both realistic and optimistic (4.4.2). They were seen as both action-focused or driven (4.3.2) and open-minded (4.4.2), and visionary (4.2.3) but yet flexible and pragmatic rather than overly idealistic in setting goals (4.3.2) or responding to setbacks (4.4.2). In many ways, respondents saw ELs as more than the sum of relevant properties of entrepreneurs and leaders. Being significantly more sociable, intuitive and flexible (4.1) than *either* subcategory is also consistent with the notion of ELs as more psychologically competent than individuals who are either entrepreneurs or leaders. This possibility is an interesting departure from most existing theory and worthy of investigation by future researchers.

5.1.5 The importance of entrepreneurship in corporate leadership

Respondents saw only a small minority of corporate leaders as ELs, which differs from the impression given in some studies. For example, Kuratko (2007b; 1999) describes entrepreneurial leadership as a core element of the "corporate revolution" and "a global necessity". Although the concept of corporate entrepreneurship has been promoted for four decades (Morris, et al., 2008), the interview findings suggest most organizations have cultures that work against entrepreneurship. Comments included "As a corporate leader, entrepreneurship is only a small factor in the equation", "Entrepreneurial leadership is something that not all leaders may aspire to", "I have been around in government agencies for a long time; this is not something I have seen on a regular basis", and "They would not use that language [entrepreneurial leadership]. It is just too scary for them as a concept". This was especially noted by public sector participants, but common also in private sector managers. It appears that many organisations do not expect leaders to be entrepreneurs, and some even actively attempt to prevent it.

Hentschke (2009) suggests reasons for the neglect of, or resistance to, entrepreneurial leadership in educational institutions, which may apply to other large organisations. Social or cultural norms tend to favour leadership qualities such as stewardship and inclusiveness over entrepreneurship, and require leaders to address political demands or uphold professional norms rather than promote innovation or challenge the status quo. Consequently many leaders are not chosen for entrepreneurial aptitude or experience, and are unlikely to understand or accept entrepreneurial leadership practices. Hentschke (2009) and Fernald, et al. (2005a) suggest many traditional managers are inherently distrustful of entrepreneurial behaviours because "the iconoclastic characteristics found in many entrepreneurs are inconsistent with 'good' leadership characteristics" (Fernald, et al., 2005a, p. 8).

The "iconoclastic" nature of entrepreneurial behaviours was emphasised by one participant: "Entrepreneurs are wild cards; they are kind of mavericks. They are people who do not fit into systems, they are outside of systems, unconventional". This depiction is reminiscent of Joseph Schumpeter's formulation of the entrepreneurs' task as "creative destruction" (Ohyama, Braguinsky, & Klepper, 2009; Schumpeter, 1992), or Peter Drucker's description of entrepreneurial behaviour that aims to "upset and disorganize" (Drucker, 1986).

Despite the challenge that entrepreneurship often presents to corporate culture, the findings of this study and the literature both show a growing consensus on the value of entrepreneurial leadership to large, established organisations (Foley, 2007; Greenberg, et al., 2011; Gupta, et al., 2004; 2007b; Kuratko & Hornsby, 1999; Morris, et al., 2008). Experts such as Peter Drucker (1984) see the competitive environment of the late twentieth century bringing a new requirement for "entrepreneurialism" from which no firm can escape. Others suggest even long-established corporations must become entrepreneurial to survive since their entrepreneurial spirit tends to be systematically destroyed over the organisational life-cycle (Morris, et al., 2008, p. 19).

The importance of entrepreneurship for increasing competitiveness is now becoming recognised in the literature (Covin & Miles, 1999; Guth & Ginsberg, 1990; Hitt & Ireland, 2000; Kuratko, 2007a; Kuratko & Hornsby, 1999; Morris, et al., 2008). Zahra and Covin (1995), for example, report a strong positive relationship between corporate entrepreneurship and financial performance. Leadership is increasingly seen as important to this new entrepreneurialism (Gupta, et al., 2004; Guth & Ginsberg, 1990; Kuratko, 2007a, 2007b; McGrath & MacMillan, 2000; Stevenson & Jarillo, 1990). However, the present results suggest this trend may not be as widespread as these researchers suggest.

In summary, respondents perceived ELs to be qualitatively different from both pure entrepreneurs and traditional leaders. ELs are identified as either successful entrepreneurs who also demonstrate ethical leadership, or effective corporate leaders characterised by entrepreneurial behaviours. Many successful entrepreneurs are not seen as ELs, and only a few corporate leaders are considered to be ELs. This suggests the concept of entrepreneurial leadership offers a valuable "point of difference" to both theories in both fields. However, while the concept of entrepreneurial leadership is widely promoted in entrepreneurship theory, and to a lesser extent in mainstream corporate leadership theory, a significant challenge to its growth remains since entrepreneurs do not always have leadership skills and organisations do not always welcome entrepreneurial behaviours.

5.2 A Distal-Proximal Leader Attributes Model of ELs

The characteristics of ELs identified in the questionnaire and interview findings can be integrated in a model of "distal" and "proximal" leader attributes building on Zaccaro et al.'s (2004) 'leader attributes' model (see Figure 2.2). According to Zaccaro, et al. (2004), a

leader's personal characteristics are a coherent integration of attitudinal and behavioural traits underlying a consistent pattern of leadership performance. In their distal-proximal leader attributes model, *distal* attributes reflect "trait-like" individual differences including personality, cognitive abilities and motivation or values, while *proximal* attributes reflect "state-like" individual differences including problem-solving skills, social skills and knowledge. The basic premise of this model is that more fixed *distal* attributes of a leader influence his or her performance *through* their effects on more changeable *proximal* skills and knowledge (Chen, Gully, Whiteman, & Kilcullen, 2000; Mumford, et al., 2000; Zaccaro, et al., 2004).

As shown in Table 5.1, the *distal* attributes of ELs include *personality dispositions* (e.g. self-confidence, risk propensity), *cognitive abilities* (e.g. creative thinking, intuition), and *motives and values* (e.g. leadership motivation, need for achievement, integrity). These three sets of characteristics operate jointly to influence leadership behaviours. As Zaccaro, et al. (2004) explain, these attribute sets are interdependent:

> [Leaders] often are required to use conceptual capacities to interpret the meaning of complex events occurring in their operating environment. The successful growth and use of such capacities likely depends on their having a personality orientation that reflects openness to experience and tolerance of ambiguity. Furthermore, certain motive-states, such as motivation to lead or high need for power, are necessary to motivate the effort required to engage in complex thinking. Thus, the influence of each set of attributes on leadership is conditioned on the other two attribute sets. (p. 123)

Vision and Passion are two synergic distal predictors of an EL's cognitive, personality and motivational attributes. Vision reflects the leader's beliefs and prescriptive mental model of the future (Strange & Mumford, 2005). Entrepreneurial vision results from intuitive or holistic thinking (Ensley, Carland, & Carland, 2000) and needs based in the entrepreneur's personality (Falbe & Larwood, 1995), such as the need to achieve. Passion is defined as an "intense affective state accompanied by cognitive and behavioural manifestations of high personal value" (Chen, Yao, & Kotha, 2009, p. 199). Passion can strengthen motivation, enhance mental activity and provide a purpose to work (Cardon, Gregoire, Stevens, & Patel, 2013).

Table 5.1: Distal and proximal attributes of ELs

Personal Characteristics	Distal Attributes	Personality: self-confidence; risk-taking propensity
		Cognitive abilities: creative thinking; intuition
		Motives and values: leadership motivation; achievement motivation; integrity
		Vision and Passion
	Proximal Attributes	Problem-solving skills: pragmatic approach to ethical issues
		Emotional intelligence: resilience
		Expertise and knowledge: leadership learning in an entrepreneurial context
		Pursuit of opportunity and Ability to motivate

These distal attributes underlie an EL's *proximal* skills, competencies, attitudes and acquired capacities, individual difference variables that more directly influence leader performance. Three proximal skill-sets hypothesised to be central to ELs are *problem-solving skills* (e.g. pragmatic approaches to ethics), *emotional intelligence* (e.g. resilience), and *business expertise and knowledge*. The interaction of these skill-sets underlies ELs' *opportunity orientation*, a strategic focus on seeking new business opportunities and *ability to motivate* others to respond to an opportunity. The pursuit of opportunity is seen as the essence of entrepreneurship (Stevenson & Jarillo, 1990) while ability to motivate is the essence of leadership (House, Javidan, Hanges, & Dorfman, 2002; Kotter, 2001; Yukl, 2006).

A graphical illustration of the distal and proximal leader attributes of ELs is shown in Figure 5.1. The three sets of distal attributes are underpinned by Vision and Passion and jointly predict the three sets of proximal behavioural attributes centred on Pursuit of opportunity and Ability to motivate that are hypothesised to directly predict leader performance. The combined influence of the proximal attributes directly contributes to effective leadership outcomes such as perceived ethical and authentic leadership practice. Future research could use Figure 5.1 to guide research on the links between leadership effectiveness and the characteristics of ELs identified in this study.
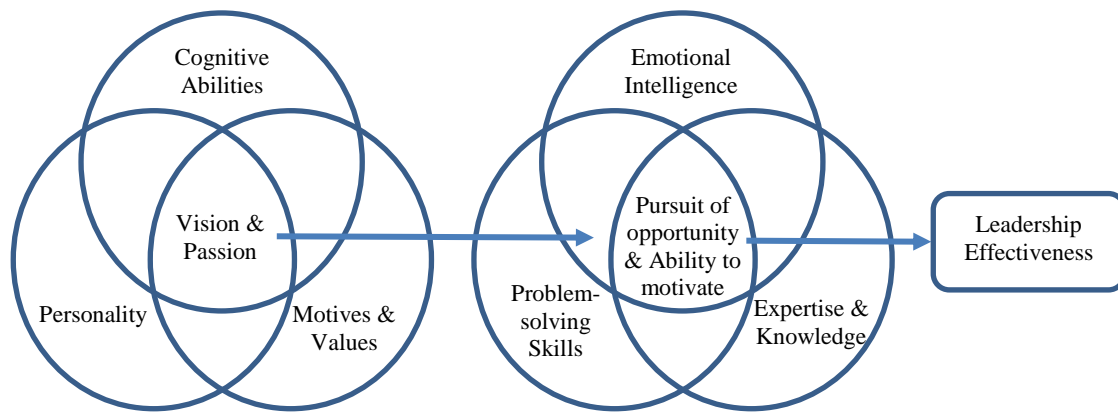
Figure 5.1: A leader attributes model of entrepreneurial leadership

Of all the skills and attributes identified in this study, vision stood out as most critical to entrepreneurial leadership and is perhaps most 'common' to both leadership and entrepreneurship. Vision is consequently examined in the next section.

5.2.1 Vision in entrepreneurial leadership

Vision is the 'common characteristic' most often cited in the questionnaire survey and most distinctive of ELs, according to interview responses. This empirically supports previous studies in which vision is at the heart of entrepreneurial leadership. Cogliser and Brigham (2004) identify vision as one of four areas of overlap between entrepreneurship and leadership, and Fernald, et al. (2005a) and Perren (2002) describe vision as a common characteristic in their common characteristics models of entrepreneurial leadership. Gupta et al.'s (2004) seminal work defines entrepreneurial leadership as leadership that creates "visionary scenarios" that attract and motivate followers:

> The entrepreneurial leader formulates a vision of the future state to be enacted by the followers and then shoulders the burden of responsibility for being wrong about the future. By absorbing the paralyzing effects of uncertainty for followers, the entrepreneurial leader builds their confidence, enabling them to act as if it is possible to realize the vision. (p. 247)

Vision is also considered critical to *leader* effectiveness, and intensively studied in leadership research (Cogliser & Brigham, 2004; Zaccaro & Banks, 2001). House and Podsakoff (1994) identify vision as the most important attribute of "outstanding leaders" in their theory embracing charismatic, transformational and visionary leadership. Outstanding leaders

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"accomplish ambitious and unusual objectives, such as major military victories and competitive gains, organisational turn-arounds from loss to profit, major organisational innovations, or substantial organisational growth beyond that of competitors" (House & Podsakoff, 1994, p. 56).

The present findings suggest vision also makes ELs potentially "outstanding" leaders. ELs' visions were described as compelling (clear, challenging and growth-oriented), engaging (communicating, convincing and having shared goals) and value-based (making a difference, leaving a legacy). Baum, Locke, and Kirkpatrick (1998) consider an effective vision incorporates clarity, challenge, future orientation and desirability that can significantly improve organisational performance. Therefore, an EL's vision is expected to guide staff towards outstanding organisational performance and business success.

Value-based vision

Participants believed an ELs' vision would reflect universal values and moral beliefs, such as creating a greater good, making a difference to the world, raising people's consciousness or leaving a social legacy. Zaccaro and Banks (2001) consider value-orientation the most important element of a vision:

> Values provide the passion and persuasiveness that leaders convey when articulating to their subordinates the desired image they have of their future organization; hence, values are the basis for the role of vision in facilitating organization-wide leader influence (Senge, 1990). For this reason, visions are important social influence tools. (p. 188)

Values are recognised in Kirkpatrick and Locke's (1996, p. 37) definition of leadership vision: "a vision is a general transcendent ideal that represents shared values; it is often ideological in nature and has moral overtones". Schwartz's (1994) theory of values suggests ELs' visions will reflect both self-enhancement (e.g., pursuit of personal success) and self-transcendent (e.g., concern for others' welfare) values. The former would underlie an EL's achievement motivation and the latter provide moral values that make the EL's vision self-transcendant.

Similarly, House and Podsakoff (1994, p. 59) suggest that outstanding leaders' visions embrace a set of ideological values that "describe a better future in which the followers have a moral right … [and which] resonate[s] with the values and emotions of followers". When leaders' and followers' values are congruent, the influence process is most effective. Such

ELs can build high performing teams because their vision attracts like-minded followers. With leadership skills such as communication, empathy and leading by example, an EL can have an 'idealised influence' in the process of pursuing entrepreneurial opportunities.

Communicating a vision

Participants saw ELs as effective communicators in engaging and inspiring followers to achieve a visionary goal. One self-identified EL illustrates this:

> *I guess I try to create a vision for where we are going to go, and I am trying to get people to buy into that vision and to feel ownership with that direction. Making sure people feel like it is not just my idea. It is a positive way forward; we can all work towards making our organisation a better place. I find people work much harder and much more passionately and thoroughly if they feel like they have the ownership of the idea or direction. So I try to sell the vision as my main plan.* (CM18)

ELs understand that sharing their vision creates passion and motivation, heightening others' commitment and confidence. However, their communication style was perceived different to other leaders', emphasising shared ownership of the vision and using logical persuasion to convince others to buy into it. Mumford, Antes, Caughron, and Friedrich (2008, p. 147) argue that prescriptive mental models or visions delivered through logical argument will appeal to "knowledgeable elites who understand, and can induce control over, relevant causes and contingencies". Such people commit to values and goals they share with the leader, rather than to the leader as a person (as in charismatic leadership). Some leaders may also use emotional appeals. House and Podsakoff (1994) observe that some leaders communicate their vision with highly inspirational appeals and others have a less emotional approach. ELs are therefore expected to communicate their vision to like-minded and capable followers through inspirational and generally highly rational communications.

Growth-oriented vision in founding ELs

The content of a vision is more important than how it is conveyed (House & Podsakoff, 1994). Influential visions need not be grandiose and may simply have a focusing effect. Participants saw ELs' vision as largely focused on growing the business. The self-identified EL business owners aimed to create the leading company in their industry, whereas non-EL business owners had no intention to grow their small business. Similarly, corporate

participants generally saw corporate ELs aiming to quickly expand their business units. ELs are not necessarily seen as charismatic or inspirational in conveying their vision, but they do explicitly articulate the growth of their business and demonstrate confidence and competence in this.

Business growth is a key topic in the entrepreneurship literature. Carland, et al. (1984, p. 355) contend that growth-orientation differentiates entrepreneurial from non-entrepreneurial small business: "All new ventures are not entrepreneurial in nature. Entrepreneurial firms may begin at any size level, but key on growth over time. Some new small firms may grow, but many will remain small businesses for their organizational lifetimes". Participants in this study also saw growth-orientation as the main difference between ELs and non-ELs.

Indeed, participants believed ELs would prioritise growth over profit generation, in contrast to the majority of pure entrepreneurs whose business strategies are driven by profit. One noted that an EL has to trade profits for growth, a choice guided by his vision. Well-known examples include Jeff Bezos, the founding CEO of Amazon who prioritised growth and expansion over profitability against intense investor pressure over many years. His success as an entrepreneur and leader depended on this element of his vision. A growth-based vision differentiates an entrepreneurial firm from a stagnant or bureaucratic one.

Growth-oriented vision in corporate ELs

A corporate manager's vision is different to a business-owner's since they must seek opportunities for growth *within* their corporate context. Participants considered ELs able to break down large, abstract corporate visions into a 'sub-vision' that enabled them to lead their areas at a growth rate exceeding normal expectations. Corporate ELs were perceived to be highly opportunity-driven, able to identify and exploit opportunities more than corporate managers focused on workflows and processes. Corporate ELs' vision depends on this ability to pursue and exploit opportunities.

Ireland, Covin, and Kuratko (2008) incorporate senior managers' opportunity-driven behaviour in their model of corporate entrepreneurship driven by a vision comprising the beliefs, attitudes and values in of entrepreneurial 'mind-set':

> Sometimes only defining areas in which opportunities are to be sought (Muzyka, De Koning, & Churchill, 1995), an effective entrepreneurial strategic vision is more a reflection of an entrepreneurial mind-set … [It] is the mechanism by which top-level

managers paint the picture of the type of organization they hope to lead in the future — an organization that is opportunity-focused, innovative, and self-renewing. (p. 26)

This recognising and exploiting of opportunity are often seen as the *essence* of entrepreneurship (Shane & Venkataraman, 2000; Stevenson & Jarillo, 1990). Eckhardt and Shane (2003, p. 336) define entrepreneurial opportunities as "situations in which new goods, services, raw materials, markets and organizing methods can be introduced through the formation of new means, ends, or means-ends relationships". Psychological studies identify individual differences in cognitive abilities, risk perception, self-efficacy, optimism and motives that influence a leader's ability to exploit opportunities (Shane & Venkataraman, 2000; Stevenson & Jarillo, 1990). Participants in this study perceived ELs to have both the desire and the capability to exploit entrepreneurial opportunities.

Conclusion

The findings of this study support the suggestion of previous authors that vision is a defining characteristic of entrepreneurial leadership. ELs' visions were seen as value-based, and often communicated in a practical, non-charismatic manner. EL business owners were considered to use a growth-oriented vision while EL corporate managers have an opportunity-driven vision of internal growth. The findings suggest entrepreneurs wishing to become leaders should develop a value-based, growth-oriented vision and practise communicating it logically and charismatically, while corporate managers should identify a clear sub-vision for their business unit and exploit opportunities to implement it.

Although vision is a central concept in the leadership literature (Bennis & Nanus, 1985; Berson, Shamir, Avolio, & Popper, 2001; Gupta, et al., 2004; Kirkpatrick & Locke, 1996; Strange & Mumford, 2005; Zaccaro & Banks, 2001), it has received less attention in entrepreneurship studies where it largely builds on leadership research (Cogliser & Brigham, 2004, p. 778). For example, Baum et al.'s (1998) study of vision in entrepreneurial venture growth is inspired by studies of how charismatic leaders communicate and implement their vision. Similarly, Ruvio, Rosenblatt, and Hertz-Lazarowitz's (2010) study of entrepreneurial leadership vision in different types of new ventures is based on leadership studies. Cogliser and Brigham (2004) argue that research on entrepreneurial vision should continue to employ concepts from leadership research such as collective vision, a predictor of new venture performance (Ensley, Pearson, & Pearce, 2003). However, the discussion above highlights differences between leadership and entrepreneurship. Entrepreneurial leaders adopt

specifically growth-oriented visions and opportunity-seeking behaviours not common in other leaders, and have interpersonal skills not common in pure entrepreneurs. These help communicate their vision, influencing co-workers to adopt it and giving the organization greater focus.

5.3 Pragmatism and Ethical Leadership of ELs

Implicit theories tend to emphasis pragmatism in entrepreneurs and ethics in leaders, suggesting ELs may face conflicts between achieving goals and leading ethically. Many interviewees described ELs as "pragmatic" in handling ethical issues. Although pragmatism in business can be associated with 'cutting corners', here it has a deeper meaning in which ethics are interwoven with business issues and resolved jointly rather than being intrinsically in conflict. ELs were more often seen as able to incorporate ethics within business pragmatism, balance opposing values or find a creative compromise that retained ethical values. However, a minority of participants considered that ELs did not well integrate pragmatism with ethics and faced a slippery slope leading to ethical lapses.

The majority view supports Surie and Ashley's (2008) conceptual framework in which ELs pragmatically integrate the efficiency dimension of entrepreneurship with the ethical dimension of leadership, in a way that increases innovation and value creation. In their approach pragmatism involves seeing ethical issues as problems to be solved in pursuing the entrepreneurial goal of innovation and accomplishment.

Three themes identified in responses to questions about ethics and pragmatism are discussed below. First, participants believed ELs who had positively reconciled ethics and pragmatism had a personal inner 'moral compass' and high levels of personal integrity. Second, this high level of moral development allowed them to balance opposing values underlying ethics and business outcomes. Finally, self-awareness was considered fundamental to reconciling entrepreneurship and ethics in leadership.

5.3.1 Personal moral principles and integrity

The self-identified EL participants in this study reported that they responded quickly to ethical issues using intuition and common sense: using an "internal compass", making a "moral judgment call", calling on "personal values" or "listening to your inner voice". They

had a clear concept of their internal values and were confident these would ethically guide responses to complex issues. Other participants also thought ELs would make ethical decisions quickly and intuitively.

This viewpoint fits Kohlberg's (1976; 1977; 1983) theory of cognitive moral development in which individuals at the highest level of development are 'post-conventional', having learned to see beyond conventional forms of moral reasoning based on social norms, images of good persons, or authority and rules for creating social order. At this 'post-conventional' or 'principled' level individuals determine what is right through internally (not externally) derived values and principles. Brown and Treviño (2006), amongst others, have applied Kohlberg's theory to leadership, predicting that 'principled' leaders are more likely to behave ethically over time. Principled ELs would not see pragmatism as incompatible with ethics, and see integrating the two less as a matter of choosing between them than one of increasing their personal competence to lead. Similarly, Kuratko (2007b) has described an EL's personal value system as the key to ethical leadership.

Integrity was the third top-ranked characteristic of an EL in the questionnaire study. It was second for leaders but did not appear in the top 10 for entrepreneurs. In the interview findings, integrity was also cited as a key factor distinguishing ELs from entrepreneurs and allowing ELs to reconcile pragmatism and ethics. Participants saw integrity underpinning both ELs' entrepreneurial role (e.g. "integrity first, opportunity second") and their leader role (e.g. "without integrity, people won't follow you").

Integrity has long been recognised as important to effective and ethical leadership (Brown & Treviño, 2006; Kirkpatrick & Locke, 1991; Northouse, 2007; Palanski & Yammarino, 2007, 2009). Although most often identified with sound moral or ethical principles and behaviours such as honesty, trustworthiness and justice (Badaracco & Ellsworth, 1992; Becker, 1998), the concept has other connotations, including consistency between words and actions (Simons, 1999), courage (Worden, 2003) and authenticity (Koehn, 2005). Consistency, courage and particularly authenticity link integrity to Kohlberg's 'principled' individual operating on an internal 'moral compass'. This appears to be important in balancing pragmatism and ethics in entrepreneurial leadership.

5.3.2 A balanced approach underlies pragmatism

As noted in 4.3.2, balancing competing goals was a theme in many participants' answers to questions concerning pragmatism and ethics. Reconciling short-term gain with long-term reputation or growth, personal with organisation goals, or an EL's ideals with business reality appear to be important in entrepreneurial leading. Some participants saw balance as compromise: "pragmatism is a form of compromise; the art of possible" as one said. However, balance is not a simple trade-off between two values but a form of creative problem-solving focused equally on both values. Most participants believed pragmatic ELs sought and could find a balance that did not compromise ethics or business outcomes, and as having a pragmatic philosophy as opposed to dichotomies.

This finding aligns with Jacobs' (2004) notion of pragmatic business ethics, in which leaders look beyond traditional dichotomous thinking to find alternative solutions to ethical dilemmas. Similarly, Surie and Ashley (2008) distinguish pragmatism from utilitarianism, proposing that pragmatic leaders seek to discover ethical limits in existing approaches and evolve new ones, a "moral evolution" in which leaders' ethical values are refined and social standards evolve.

In this view of pragmatism ethics are not compromised in achieving business goals. Instead, the focus is on finding practically useful ideas that lead to new *and* ethical business opportunities. Pragmatic ELs can balance ethics and business outcomes through creative problem-solving to find alternative solutions (experimentation and innovation) and synthesising competing ethical considerations (non-dichotomous thinking), underpinned by mindfulness of ethical consequences and a desire for personal moral development.

5.3.3 Pragmatic ethical leadership comes from self-awareness

Kohlberg's concept of moral development is related to a third theme in participants' views on pragmatism and ethics: the critical role of self-awareness. Participants believed self-awareness was essential to becoming a role model and influencing others, and that ELs were more self-aware than entrepreneurs or leaders generally. ELs attend to external ethical standards but make decisions according to their own internal values and moral reasoning as 'principled' persons.

Self-awareness distinguishes ELs as ethical leaders from those who avoid ethical considerations or do not recognise them. With greater self-awareness, an EL is more likely to stand out as an ethical role model against the often ethically neutral ground of business organisations (Trevino, et al., 2003) or the grey area of amoral management (Carroll, 1987) lacking a proactive approach to ethics.

Moral awareness is important for ethical leadership because recognition of ethical issues is a key step in the ethical decision-making process (Jones, 1991). Knowing one's own values and motives is paramount in leaders who are role models in exerting moral influence on others. However, according to Brown and Treviño (2006), self-awareness has not yet been part of the concept of ethical leadership, which primarily focuses on the leader's care and concern for others. The critical role of self-awareness in an EL's approach to ethics invites further research on how self-awareness can be incorporated in studies of ethical leadership.

5.3.4 Ethical failures in ELs

A minority of participants, none identifying as ELs, believed that ELs could not often integrate ethics with business outcomes. These participants endorsed the implicit theory of entrepreneurs as pragmatically focused more on 'bottom line' results than the ethical consequences for staff or others. Those participants were able to identify ethical lapses in high profile entrepreneurs.

The contrast between these two viewpoints is worthy of future study. This study investigated perceptions rather than the objective reality of ELs, using a sample with equal proportions of self-identified ELs and non-ELs. Whether the self-identified ELs' ethics were as good as reported is unclear. Trevino, et al. (2003) emphasise the role of subjectivity in perception and cognitive biases in evaluating leadership ethics: these factors are particularly likely to influence self-perceptions. Possibly a sample with fewer self-identified ELs would have a less positive view of the relationship between pragmatism and ethics. Alternatively, ELs may face ethical dilemmas more often than other leaders and more openly than entrepreneurs, in which case their views may contain lessons for other leaders. Future research is needed to investigate how ELs actually deal with ethics, and whether their self-perceptions are realistic.

5.3.5 Summary

ELs were seen by most participants to be both pragmatic and ethical. Although this is the opposite of the common image of an entrepreneur who compromises ethics in pursuit of business outcomes, participants often thought this reflected a false dichotomy. ELs were considered very aware of ethical dilemmas and able to find practical resolutions to them by balancing competing values in a way that respected both ethical values and business needs. This often involved creative problem solving and the ability to transcend dichotomous thinking. ELs were seen to base decisions on inner values rather than others' values, consistent with Kohlberg's notion of a post-conventional, 'principled' level of moral development. A high level of self-awareness was seen to underlie EL's unusual ability to reconcile pragmatism and ethics.

Pragmatism in business ethics has gained increasing attention in entrepreneurship research (Buchholz & Rosenthal, 1997; Donaldson & Werhane, 1979; Frederick, 2000; Jacobs, 2004; Margolis, 2001; Singer, 2010) as it evolves "from dominant normative and empirical trends ... which revolve around boundaries and constraints … [to] concentrate on methods for promoting ethical behavior in practice … [and which] points to pragmatic solutions" (Margolis, 2001, p. 27). The findings of this study suggest ELs present a particularly interesting case in which intergating pragmatism and ethics is both more critical and more difficult than in typical entrepreneurship settings.

Research on leadership ethics is still new and remains underdeveloped and fragmented (Brown & Treviño, 2006; Ciulla, 2005). Surie and Ashley (2008) point out that pragmatism and efficiency have been overlooked in leadership studies due to an over-emphasis on ethical, value-oriented or spiritual considerations. Participants in this study echoed this in affirming the role of pragmatism in ELs' ethics. Reconciling pragmatism with ethics was seen as essential to integrating the role of an entrepreneur focused on value-creation with the role of a leader as an ethical role-model. The challenges identified above may provide leads for future leadership research on the particular challenges faced by ELs.

5.4   Attitudes to Failure and Resilience of ELs

Risk-taking was the highest-ranked characteristic of entrepreneurs in the questionnaire data (4.1) and one of the most common characteristics of ELs identified in the interviews (4.2).

Participants self-identifying as EL business owners were particularly willing to risk failure, seeing risk and failure as important to the learning and personal growth underpinning their business strategy. Corporate ELs were more willing to take risks and less concerned with failure than typical business leaders. They often disliked the risk-adverse cultures of large organisations.

These findings highlight the critical role of resilience in entrepreneurial leadership. Resilience refers to "the maintenance of positive adjustment under challenging conditions" (Sutcliffe & Vogus, 2003, p. 95). Participants believed ELs were more resilient than other leaders. Five elements underlying their resilience were identified from the interviews (see 4.2.2): emotional regulation, a learning and self-growth orientation, open-mindedness, realistic optimism, and passion and vision.

These elements can be related to two influential strands of contemporary leadership research: emotional intelligence (EI) and authentic leadership (AL). Goleman's (1998a, 2000) framework of leader's emotional intelligence focuses on managing oneself and developing relationships with others. Findings of this study revealed that ELs had high levels of self-awareness, including awareness of their emotions and motivation. They had a positive influence on others, and were highly motivated by self-learning and growth. ELs' resilience reflects these emotional intelligence capabilities, particularly in the face of adversity.

Resilience is also incorporated in the emerging positive psychological concept of authentic leadership (Avolio & Gardner, 2005; Gardner, Avolio, Luthans, May, & Walumbwa, 2005; Michie & Gooty, 2005). In Gardner et al.'s (2005) model of authentic leadership, leaders with high self-awareness and self-regulation capabilities are more effective in gaining trust and influencing others to achieve corporate goals. Authentic leaders express positive emotions including optimism in the workplace, and develop open relationships with staff. These capabilities make them resilient in times of adversity, and by acting as role-models promote positive psychological well-being, including resilience, in others.

So far these theories have not addressed the specific context of entrepreneurial leadership, where failure and adversity are more important than in traditional leadership theory. The findings of this study suggest ways in which emotional intelligence and authentic leadership theories can be used to explain resilience in ELs. The sections below link the five elements of resilience identified in 4.4.2 to these theories, and suggest two general outcomes of resilience in ELs, greater leader self-confidence and increased wellbeing in other staff.

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5.4.1 Self-regulation

Participants perceived that ELs' resilience was related to their ability to manage their emotions. While ELs are aware of potentially disruptive emotions they *chose* not to be affected. As one self-identified EL said: "Do I sometimes feel I am failed? Yes, absolutely. The question is what I do with that. I won't allow this to affect me … I'd make sure I am able to get out of that and turn it around as soon as possible". ELs manage to channel negative emotions in useful ways by focusing on solutions, proactively learning and openly sharing their experiences with colleagues.

In effect, resilience is "a function of conscious or unconscious choice" (Richardson, 2002, p. 310). Having choice in responding to their emotions gives ELs greater adaptability. Goleman (1998a) predicts that regulating emotions helps leaders better adapt to changes. Self-regulation also creates personal integrity and helps build an environment of trust and fairness (Goleman, 1998a), important components of authentic leadership (Gardner, et al., 2005).

5.4.2 Learning and self-growth

ELs' resilience was perceived to involve self-development or growth through learning from failure. Self-identified ELs saw failure as an opportunity to learn rather than a problem, and sought to proactively develop themselves rather than just reactively adapting to problems.

This focus on learning and growth is predicted to have two consequences. First, it can increase self-efficacy and competence, as ELs analyse their failures and learn how to do better next time and become resilient by developing skills for resolving issues or finding alternative solutions (Sutcliffe & Vogus, 2003). Second, it can improve EL's self-awareness. Experiences of failure increase self-awareness in leaders "to the extent they are reflected upon, and interpreted in terms of the self" (Gardner, et al., 2005, p. 349).

This increase in self-efficacy, competence and self-awareness makes ELs psychologically stronger and more resourceful during failure where less resilient leaders lose confidence and initiative. Sutcliffe and Vogus (2003, p. 4) observe that resilient people "not only survive/thrive by positively adjusting to current adversity, but also, in the process of responding, strengthen [their] capabilities to make future adjustment". Similarly, according to Richardson (2002) resilience is a process of growth rather than mere recovery or bouncing back. Therefore, ELs who approach adversity as an opportunity to learn and grow are

expected to increase their psychological well-being as well as their entrepreneurial and leadership skills.

5.4.3 Open-mindedness

Participants believed ELs were tolerant of failure in others and able to share their own experiences of failure. Tolerance of failure encourages a learning culture rather than a punitive attitude. Farson and Keys (2002) advocate 'failure-tolerant leadership' as an approach to organisational innovation, and Morris, et al. (2008) suggest leaders encouraging employees to take bold initiatives should also celebrate their failures. Tolerance helps employees develop resilience by reducing the perceived risk of failure and providing workplace supports for it (Luthans, Vogelgesang, & Lester, 2006).

Self-identified ELs also openly revealed how they felt during major failures, showing the 'wisdom of hindsight' and even a sense of humour (e.g., "they call me 'resilient idiot'"). Such candour did not attract criticism but rather created respect from employees and colleagues. One commented: "if you're prepared to share your failures with a network like that I think you'll become a lot more respected … Especially people that you are leading, if you share that with them I think there is a huge amount of respect gained straight away".

Candid expression of emotions is characteristic of people with high emotional intelligence (George, 2000). Goleman (1998a) suggests self-aware individuals are frank in admitting failure, often with a self-deprecating sense of humour. Emotional openness is also an important component of authentic leadership. Authentic leaders show 'relational transparency', expressing their true emotions and feelings to create "bonds based on intimacy and trust with close others and encourage them to do the same" (Gardner, et al., 2005, p. 357). By sharing their failures and emotional vulnerability, authentic leaders earn trust from others (Shamir & Eilamb, 2005). Relational transparency underpins authentic leadership because it involves sharing common human experiences such as failure and vulnerability.

5.4.4 Realistic optimism

Participants believed ELs had an *optimistic outlook* in the face of failure, a firm belief that they can overcome hardship and succeed in the future, and that failure is temporary and not personal. This optimism is also realistic, not an unrealistic expectation of being able to 'conquer the world' (4.4.2). Optimism is known to increase mental health (Peterson, 2000;

Seligman, 1992), and authentic leadership theory predicts optimistic leaders will persevere and cope better during adversity (Avolio, Gardner, Walumbwa, Luthans, & May, 2004; Luthans, et al., 2006).

5.4.5 Passion and Vision

ELs were perceived to have a genuine *passion* for what they do – "a deeply embedded desire to achieve for the sake of achievement" (Goleman, 1998a, p. 99), which can increase their resilience in times of hardship. One participant commented that passion makes ELs "immune" to failure, as they just keep trying and coming back with greater passion. Passion was seen to differentiate ELs from non-ELs, especially in their responses to adversity, and can be related to EL's strong need for achievement (4.2). Participants believed EL's passion underpinned their vision (5.2.1), and together these account for EL's persistence in the face of failure.

5.4.6 Consequences of EL's resilience

The five elements of resilience discussed above are expected to have two important general outcomes, increased self-confidence in ELs and a positive influence on others. ELs were generally perceived as confident and aware of their strengths and weaknesses. Self-knowledge provides confidence because individuals can 'play to their strengths' and accept their limitations when taking risks or coping with failure (Goleman, 1998a). Confidence in their personal boundaries may explain the perception that ELs are more realistic in taking on risks and less defensive about their failures than other leaders.

Self-confidence based on accurate judgment of one's capabilities (McCormick, 2001) is widely seen as crucial to leadership effectiveness (DuBrin & Dalglish, 2003; Kirkpatrick & Locke, 1991; McCormick, 2001; Stogdill, 1974). Self-confidence is also important in authentic leadership theory as part of a leaders "positive psychological capital" (Gardner, et al., 2005). Confidence is expected to increase resilience, and conversely resilience can increase self-confidence by restoring a sense of self-efficacy during setbacks (Luthans, et al., 2006). This self-sustaining cycle of confidence and resilience is expected to be particularly important in helping ELs take risks and cope with failure.

A second general outcome of ELs' resilience is a *positive influence* on others' wellbeing. In authentic leadership theory leaders model "positive values, psychological states, behaviours

and self-development", influencing followers by creating "proximal" organisational climates focused on self-development and adaptation to change (Gardner, et al., 2005, p. 358). Leaders' resilience may therefore increase resilience and wellbeing in others, especially when they experience failure or adversity.

5.4.7 Summary

Participants saw resilience as a key attribute of ELs since entrepreneurship involves risk, vulnerability and failure. ELs were considered to see failure as an opportunity rather than a threat, and were more willing to face risk and better able to respond to failure than other leaders. Facing failure with sound emotional regulation capabilities, an orientation towards learning and growth, open-mindedness, realistic optimism and passion gives ELs the ability to bounce back and grow from adversity. These qualities can be related to theories of emotional intelligence and authentic leadership, from which a number of predictions were drawn to guide future research on resilience in entrepreneurial leadership.

Resilience in a failure-prone environment is expected to give ELs a positive emotional outlook, trustworthiness, growth in personal capabilities, tolerance of failure in others, emotional transparency, and a passion and vision that inspire others to join in. Resilience also increases EL's self-confidence and has a positive effect on other employees' psychological well-being.

CHAPTER 6: CONCLUSION

This exploratory study aimed to identify the personal characteristics of entrepreneurial leaders (ELs) and to examine how ELs address the competing requirements of entrepreneurship and leadership when dealing with ethics and failure. These issues were explored with a questionnaire and an interview study of 25 small business owners and managers in large organisations. About half the participants identified as ELs, more so in the small business owner group. The interview questions were semi-structured to allow in-depth exploration of the research questions.

Previous research tends to describe entrepreneurial leadership in terms of the personal characteristics common to entrepreneurs and leaders. Findings of the questionnaire study provided partial support for this model. When asked to identify personal characteristics of entrepreneurs, leaders and ELs, the four highest ranked items for ELs (vision, passion, integrity and self-confidence) were also in the top ten for both entrepreneurs and leaders. These four most strongly support the common characteristics model.

Amongst the other attributes of ELs, one was in the top ten for entrepreneurs (resilience), and two were in the top ten for leaders (ability to motivate and decisiveness). These findings provide partial support for the idea that ELs are defined by characteristics common to entrepreneurs and leaders.

However, the three lowest of the top ten characteristics were not shared by entrepreneurs or leaders, suggesting ELs are unique in being more social, intuitive and flexible than either subcategory. This result, and to some extent the results for resilience, motivation and decisiveness, suggests the "common characteristics" model of entrepreneurial leadership may be an overly narrow perspective.

A related observation is that some characteristics in the top ten for entrepreneurs were not in the top ten for ELs, and similarly for the top leadership characteristics. ELs may not be as accomplished entrepreneurs or leaders as those who specialise in one or other area. Rather, they should be seen as exemplars of a unique leadership type, sharing only some attributes with either subcategory. Future research should look at refining the common characteristics model but also look more into how ELs are differentiated from leaders and entrepreneurs.

In the interviews all participants saw ELs as clearly separate from both pure entrepreneurs and leaders. Entrepreneurs were considered not interested in or capable of being leaders, preferring to work alone or lacking the social skills of leaders and gaining satisfaction from personal achievement and innovation. Similarly, leaders were seen as less pragmatic, innovative, risk-taking and accepting of failure than entrepreneurs, but more able to inspire, motivate, engage and gain the trust of others. This supports the view that entrepreneurial leadership is worthy of study in its own right, since ELs are a *unique* mix of the attributes of entrepreneurs and leaders.

While the questionnaire presented a list of possible attributes of ELs, the interviews allowed participants to give their own view of ELs' characteristics. They distinguished ELs from entrepreneurs or leaders by their vision, ability to attract talent and build a strong team, propensity for risk-taking, creativity and innovation, pursuit of opportunity and need for achievement. They were also seen as inspiring, courageous, persistent, passionate and intuitive.

Again, a picture emerges of attributes overlapping with one or other subcategory but together suggesting a unique approach to leadership. ELs are distinguished by their personality traits, values and motives, cognitive abilities, problem-solving skills and emotional intelligence capabilities, characteristics that underly both entrepreneurial success and leadership effectiveness. These qualities include both distal individual differences (traits, abilities, values) and proximal ones (i.e., behaviours, skills, attitudes). The distal-proximal model provides a basis for future research that can more precisely classify the attributes of ELs and identify the proximal attributes than can be developed through experience, education or training.

In summary, participants characterised ELs by their vision, passion, integrity, self-confidence, creative thinking and need for achievement, distal attributes influencing proximal characteristics such as problem-solving skills (e.g., pragmatic approaches to ethical issues) and emotional intelligence capabilities (e.g., resilience). Jointly, these characteristics give ELs unique leadership capabilities including a growth-oriented vision, opportunity-driven entrepreneurial strategies, the ability to balance pragmatism and ethics, and the confidence to overcome the failures expected in innovation. Such attributes support the view of previous researchers that entrepreneurial leadership is a new type of leadership providing "a break from the past and movement into the future" (Fernald, et al., 2005a, p. 8).

An intriguing question for future research is whether ELs characteristics constitute a more integrated personality. This possibility emerges from suggestions that ELs are both ethical *and* pragmatic, both realistic *and* optimistic in the face failure, both action-focused or achievement-driven *and* open-minded, and visionary but *also* flexible and pragmatic rather than overly idealistic in setting goals or responding to setbacks. Some participants also considered ELs able to integrate competing values by finding creative, higher-level solutions. Future research should consider whether this is an objectively correct portrait of an EL rather than an idealized wish-list, but the list is consistent with a view of an integrated personality (Maslow, 1970) that underlies much modern leadership theory (Bennis, 1989; Burns, 1978).

6.1 Implications

Giving leadership theories a more entrepreneurial focus

While entrepreneurship research has at times examined the role of leadership, leadership research has so far had less to say about the value of entrepreneurship. Participants in this study identified three principal attributes of entrepreneurs that should be given greater emphasis in future studies of leadership.

The first is vision. Although widely seen as critical to leaders, perhaps even a defining attribute or behavioural competence, ELs were considered to have a vision that is both growth-focused and ethically self-transcendent. While growth is central to entrepreneurship, participants saw ELs having underlying values concerning the organisation or the greater good that transcended personal gain or profit. ELs were seen to have greater a sense of integrity than entrepreneurs. Researchers usually encourage leaders to communicate and act on a vision, but how this vision can be growth-focused and self-transcendent may require more research specifically focused on ELs. This may also contribute to better understanding of leadership generally.

The second area in which leadership theory can learn from ELs concerns their ability to integrate pragmatism and ethics. While entrepreneurs are widely seen as sacrificing ethics for achievement of outcomes such as profit or reputation, many (though not all) participants saw ELs as able to reconcile these competing values, for example by creating new business opportunities or activities that meet both sets of goals, by using ethics to guide pragmatism, or by seeing ethics as an integral part of pragmatism. These more wholistic views of the

relationship between pragmatism and ethics may inform the growing number of studies on values and ethics in mainstream leadership research. Surie and Ashley's (2008) conceptual model of the integration of pragmatism and ethics in ELs is particularly promising, although more empirical research is needed. Leadership research has not often looked at how leaders balance ethics with pragmatism at a concrete level.

A third area in which entrepreneurial qualities can improve leadership theory concerns resilience. While resilience has been related to leadership in recent positive psychology theories of authentic leadership, from the entrepreneurial perspective resilience is more about failure than positive experiences. Participants believed entrepreneurs were willing to face failure, and some self-identified business-founder ELs reported actually courting failure as a necessary component of learning and growing both their own skills and more successful businesses. This is an unusual attitude according to leadership theory, which almost universally describes leaders as successful. Participants saw ELs as able to accept failure and tolerate it (or even encourage it) in others, attitudes that would inspire a more innovative and supportive team environment in a traditional leadership setting. Again, there are opportunities for future leadership research to better understand how corporate and other leaders deal with failure. Authentic leadership theory and emotional intelligence theory may assist such research, but an understanding of the entrepreneurial perspective could add a new and valuable dimension to researchers' current understanding of leadership.

Developing leadership in entrepreneurs

The view of ELs' personal characteristics summarised in Figure 4.1, and also the results of the interviews, suggest directions for entrepreneurship or leadership educators and researchers interested in developing the complementary attributes. The views of business owner or founder participants suggest directions for developing leadership in entrepreneurs, and the views of corporate managers offer directions for developing entrepreneurial attributes in corporate leaders.

Business owner participants, most self-identified ELs, particularly saw ELs as successful entrepreneurs with a growth-based vision that was underpinned by *self-transcendent* values and ideals, in contrast to pure entrepreneurs who are driven by profit and personal ambition. ELs were also perceived to differ from pure entrepreneurs in having a desire to influence others and a willingness to resume responsibility in pursuit of their vision. They are able to communicate their vision and build a team of like-minded people who share their vision,

unlike pure entrepreneurs. However, while leadership motivation and capabilities may distinguish ELs from pure entrepreneurs, the primary difference is in their moral values and personal integrity. In this regard, some well-known entrepreneurs would not qualify as ELs.

Vision and integrity have three implications for developing leadership in entrepreneurs. First, aspiring ELs must look beyond profit to building an enterprise and making a difference to the world around them. For this they need a value-based, growth-oriented vision, a willingness to lead, and the ability to balance pragmatism with ethics - leadership qualities that transform entrepreneurs into ELs. Second, research has shown that leadership is "not an activity that entrepreneurs necessarily associate with or view as a necessary and 'normal' part of their activities" (Kempster & Cope, 2010, p. 25). This is also reflected in the findings in this study. However, "the too often overlooked leadership factor of successful entrepreneurship may turn out to be the key advantage to new venture viability and growth" (Jensen & Luthans, 2006a, p. 661). Hence, entrepreneurship educators should focus on raising the awareness and salience of leadership in novice entrepreneurs and helping them identify with leadership roles. Third, leadership researchers should give more attention to entrepreneurs as leaders and particularly how the founder's leadership affects venture growth, an area largely ignored in leadership research (Jensen & Luthans, 2006b).

Developing entrepreneurship in leaders

Corporate leaders or managers saw ELs as effective leaders who "get the job done" and strive for higher performance but are also different from, or even opposite to, traditional leadership styles dominating large organisations. ELs were perceived to be more action-oriented and results-driven, and less risk-adverse, than traditional leaders. ELs assume ownership and take broad responsibilities, leading more like an owner-entrepreneur than an employed manager. They are also more pragmatic and resilient than other leaders. These entrepreneurial characteristics distinguish ELs from, and help them outperform, other corporate leaders or managers.

However, this is not to suggest every corporate entrepreneur can become a successful leader or that all effective managers can become ELs. A better conclusion is that a manager who is entrepreneurial by nature is more likely to achieve better performance. The reverse might also be true, that a successful manager tends to be entrepreneurial in some way. Fisher and Koch's (2004, p. 131) study of the entrepreneurial personality makes a similar conclusion about CEOs: entrepreneurial CEOs tend to succeed more than managerial CEOs and "successful

CEOs, whether they operate in corporate, government, military, or university environments, tend to be more entrepreneurial than less successful CEOs". Therefore, any organisation but especially those undertaking corporate venturing, change management or business expansion, may benefit from finding entrepreneurial managers who can both lead others and get the job done. An understanding of entrepreneurial leadership may encourage managers to consciously develop entrepreneurial skills as a key leadership competence.

Corporate entrepreneurship researchers may therefore need to focus on entrepreneurial leadership as a *driver and enabler* of corporate entrepreneurship rather than an outcome of it. But while entrepreneurship allows organisations to increase innovation (Kuratko & Hornsby, 1999), they must provide the freedom and encouragement for entrepreneurial ideas and activities to flourish. Participants often noted a conflict between entrepreneurship and corporate culture. Therefore, top leaders may need to foster a more entrepreneurial culture and proactively support entrepreneurial behaviours in order to cultivate ELs. Thus entrepreneurial leadership is needed to initiate and sustain corporate entrepreneurship, rather than the other way around.

In this regard it is important to stress that while corporate manager participants see ELs as highly valuable to their organisations, it remains a controversial concept, especially in government agencies. This confirms previous studies identifying the challenges of understanding, accepting, and promoting the concept in large organisations, especially compared to more traditional concepts such as visionary or charismatic leadership. Fernald et al. (1996; 2005a) note that "for doubters, the term 'entrepreneurial leadership' is seen as an oxymoron, a combination of terms that are contradictory to what they have been accustomed in the past" (Fernald, et al., 2005a, p. 8). Cohen (2004, p. 19) is more blunt: "entrepreneurial leadership is not contagious. In fact, it's often rejected by the larger organization in much the same way that the human body can reject a transplanted organ". Despite clear evidence that entrepreneurial leadership is highly effective, efforts to promote it were sabotaged by managers "who felt threatened by new ideas that violated the way they had learned to do things. Even though their rigid, hierarchical methods led to problems, they couldn't let go of their beliefs" (Cohen, 2004, p. 19). Leadership scholars must address the challenges of entrepreneurial leadership as well as its advantages.

6.2   Contributions of the Study

This study contributes to research in the fields of entrepreneurial leadership, individual differences in leadership, and entrepreneurship. Entrepreneurial leadership research is still in the very early stages of conceptual and theoretical development (Bagheri & Pihie, 2011), and so far entrepreneurial leadership is typically conceptualised as either a new type of leadership or a newly identified entrepreneurial competence. In this concept introduction and elaboration stage of development, researchers aim to legitimise the concept, often through descriptions of the phenomenon and identification of relevant variables (Reichers & Schneider, 1990).

This study confirms the legitimacy of entrepreneurial leadership as a new concept by providing empirical evidence on how it is perceived by individuals who identify as, or work with, ELs. Participants had a clear understanding of entrepreneurial leadership as a real and distinct phenomenon, separate from entrepreneurship or leadership. Figure 4.1 identified personal characteristics differentiating ELs from non-ELs in the questionnaire results, and Section 4.2 identified attributes related to perceived leader effectiveness in the interviews. The model of proximal and distal attributes in Figure 5.1 can help future researchers organize the many attributes of ELs identified in this and previous studies, and separate out those more favourable to development through experiential activities, training or education.

This study also contributes to the entrepreneurial leadership literature by relating the characteristics of ELs to theories of ethical leadership, emotional intelligence and authentic leadership. It is the first study to refine the 'common characteristics' model of entrepreneurial leadership by identifying both common and unique characteristics from empirical evidence collected for this purpose. It goes beyond the lists of traits previously used in previous studies by highlighting the importance of a growth-oriented but also self-transcendent vision, along with certain related behavioural qualities of ELs and their ability to integrate pragmatism with ethics and to embrace failure as a necessary part of entrepreneurship. The latter qualities enrich the portrait of ELs by showing how they combine aspects of entrepreneurship and leadership often see as inherently in conflict. In these ways the study aids the development of entrepreneurial leadership as a new concept relevant to both leadership and entrepreneurship fields.

A second broad area of contribution is to research on individual differences in leadership, part of a resurgence of interest in the trait perspective of leadership that forms a theoretical

ground for entrepreneurial leadership research. Leader traits have been defined as "coherent integrations of personal characteristics … reflect[ing] a range of individual differences, including personality, temperament, motives, cognitive abilities, skills, and expertise" (Zaccaro, et al., 2004, p. 104). The personal characteristics of ELs identified in this study affirm the role of "systematic personal-level effects" (Antonakis, et al., 2012, p. 644) in leadership, and the distal-proximal model in Figure 5.1 relates these to leader outcomes to guide future research. Antonakis, et al. (2012, p. 644) note that the resurgence of interest in leadership trait theories has produced "a movement … to integrate leadership theories into process-type models" including the distal-proximal model of trait–outcome causal relationships. Although this is an exploratory study with a small sample, it contributes to the trait literature by identifying traits relevant to ELs using empirical evidence.

Finally, the study contributes to entrepreneurship literature in several ways. Cunningham and Lischeron (1991) classify entrepreneurship studies into schools with different perspectives emphasising personal characteristics, opportunities, business management or corporate entrepreneurship. This study adds to theories of the leadership school in which a successful entrepreneur must also be an effective leader or mentor. It also contributes to a more holistic understanding of the role of leadership in venture growth and entrepreneurial process. For example, the psychological characteristics school holds that entrepreneurial individuals can be differentiated from non-entrepreneurs by personal characteristics such as values, motives, attitudes and personality factors. The findings of this study support this view by identifying personal characteristics differentiating ELs - considered as a subset of entrepreneurial individuals - from non-ELs.

The 'intrapreneurship' school of entrepreneurship focuses on entrepreneurial activities within organisations and relates their success to managers' ability to exploit entrepreneurial opportunities, a finding supported by this study. Cunningham and Lischeron (1991) argue that there is a need to reconcile these various schools of entrepreneurship. This study demonstrates the possibility of combining the leadership, psychological characteristics and intrapreneurship schools in studying entrepreneurial leadership.

6.3   Research Limitations

This study has a number of limitations. First, the questionnaire sample was small for a quantitative study. The questionnaire was intended as a complementary way of recording information during the interviews and formed an important part of interview process by giving participants time to think about characteristics of ELs in a structured exercise, although it was analysed separately to the interview data. Nevertheless, further research with larger samples is needed to confirm the findings of the questionnaire (Section 4.1).

An associated limitation is that since the questionnaire and interview use the same sample they cannot be used to triangulate the findings by comparing different samples, which would have increased the research reliability.

Thirdly, there were no inter-coder reliability checks. The researcher was the only coder, although the data analysis was overseen by the researcher's supervisors to reduce the effects of coder bias.

In discussing respondents' perceptions of ELs in the interviews, a number of critical incident accounts and case examples of entrepreneurial leadership emerged that were not further investigated due to time constraints. Future research could examine critical incidents in more detail to provide a stronger platform for considering the relevance of particular EL characteristics.

The fifth limitation is that the findings reflect perceptions of both self-identified EL participants and non-EL participants. Some differences were found between these groups, for example self-identified ELs had more positive evaluations of ELs ethics than non-ELs. However the small sample did not allow systematic investigation of the differences. Future research should compare these two viewpoints more rigorously. Studies comparing self-report data with reports from the associates of self-identified ELs (e.g., employees, colleagues, business partners, venture capital professional, friends or family members) would be particularly valuable.

Similarly, there is a limitation in the ability to compare small business owners with corporate managers in a small sample. Again, future research should examine this distinction more rigorously.

Finally, this study examined *perceived* attributes of entrepreneurial leaders, reflecting participants' implicit theories rather than the objective reality of entrepreneurial leaders. The data are therefore subject to the cognitive biases and limitations inherent in human perceptual processes (Foti & Luch, 1992; Lord, et al., 1984). Past research has shown that perceptions of leadership effectiveness are highly consistent with actual outcomes such as venture growth, innovation, organisational commitment and job satisfaction (Erakovich & Nichols, 2013). However, whether research participants accurately perceive leadership traits in themselves, in individuals with whom they work with, or in public examples of ELs is not clear. Although implicit theories are increasingly used in "new leadership" studies of charismatic or authentic leadership (Erakovich & Nichols, 2013; Foti & Luch, 1992; Hunt, 1999), little is known about their objectivity.

However, while the question of objective validity is important this research sought to understand individuals' implicit theories as a contribution to the development of the new concept of entrepreneurial leadership. Consequently the objective 'truth' of these theories is not of direct interest here.

6.4   Recommendations for Future Research

A number of specific recommendations for future research have been made in Chapters 4 and 5, and only a few broad themes are noted here. First, researchers should examine *the effects* of entrepreneurial leadership in different settings. Future studies can test the effects of entrepreneurial leadership in corporate settings with entrepreneurial intensity (EI) models (Kuratko, 2007b; Morris, 1998), and Swiercz and Lydon's (2002) two-phase transition model could be used to investigate the relationship between entrepreneurial leadership in business founders and venture growth in start-up settings.

Second, most existing studies are either conceptual or descriptive, and empirical studies are now needed to examine the *hypothesised characteristics* of ELs. These include the personal characteristics identified above and their perceived relationships to characteristics of entrepreneurs and leaders, and ELs' approaches to balancing pragmatism and ethics or facing failure, all issues that have so far received little empirical research. The possible links between entrepreneurial leadership and theories of emotional intelligence and authentic leadership identified above are also important for future research aiming to establish entrepreneurial leadership as a new and distinct leadership style.

Future studies could also use the *multistage* models (Van Iddekinge, et al., 2009; Zaccaro, et al., 2004) or *process* models (Derue, et al., 2011; Dinh & Lord, 2012) now popular in leadership research to empirically examine the attributes of ELs identified in this study and their effects on leadership effectiveness. These models integrate trait and behavioural theories, linking distal to proximal individual differences to predict leader outcomes. The model in Figure 5.1 can guide the application of such research to ELs.

Third, entrepreneurial leadership studies could more explicitly build on transformational or authentic leadership models. Some pioneering studies relate entrepreneurial leadership to transformational leadership or even define entrepreneurial leaders as a type of transformational leaders. For instance, transformational leadership is integral to Gupta et al.'s (2004) construct of entrepreneurial leadership and Fernald et al.'s (2005b, p. 5) definition of an entrepreneurial leader as "an enterprising, transformational leader who operates in a dynamic market that offers lucrative opportunities". However, so far there is no empirical evidence on the overlap between transformational (or authentic, as proposed above) leadership. The findings of this study suggest some characteristics of ELs are highly relevant to transformational and authentic leadership, such as deeply held personal values, shared visions, ability to build elite teams or team capabilities, high need for achievement, being an ethical role model, and having a positive emotional influence as a resilient and genuine leader.

Finally, further research on ELs' ethics and authenticity is suggested by the present findings. Leadership and entrepreneurship researchers could test Surie and Ashley's (2008) conceptual model reconciling pragmatism and ethics in entrepreneurial leadership. Authentic leadership theory has recently been of interest to leadership and entrepreneurship scholars interested in entrepreneurial ventures (Jensen & Luthans, 2006a, 2006b; Jones & Crompton, 2009). For example, Jensen and Luthans (2006b) studied the psychological capital of entrepreneurs from an authentic leadership perspective. Resilience, optimism, hope and trust are aspects of authentic leadership and psychological capital theory relevant to ELs.

6.5   Conclusion

Entrepreneurial leadership is a new area of study often defined by the intersection of entrepreneurship and leadership attributes. As one of the first empirical investigations of this phenomenon, this study has shown that business owners and corporate manager participants can clearly identify ELs as a category both separate from and related to the two antecedent

categories. Participants saw ELs sharing vision, passion, integrity and self-confidence with both entrepreneurs and leaders, but also having other attributes shared with only one of these groups and some not shared with either. ELs were also seen to merge *opposed* attributes of pure entrepreneurs or leaders. For example, ELs were perceived to have the ability to be entrepreneurially pragmatic while also having the ethics of a leader. They had an entrepreneur's willingness to face risk and live with failure and a leader's ability to do this in a way that influenced others to join in, as predicted by theories of emotional intelligence and authentic leadership.

The relationship between EL's entrepreneurial and leadership skill sets could best be described as integrated. ELs were seen to be less prone to ethical lapses and more capable of motivating others than entrepreneurs, while being more motivated to take risks and more focused on results than typical managers in large corporations. In suggesting ELs have a more rounded set of attributes, the concept of entrepreneurial leadership has something to offer both entrepreneurship and leadership scholars.

This exploratory study is the first to provide empirical evidence concerning implicit theories of entrepreneurial leadership. The findings suggest many interesting opportunities for future research, and together add to the emerging argument for studying entrepreneurial leadership in its own right rather than as a branch of entrepreneurship or leadership research.

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APPENDICES

Appendix A: The Questionnaire

Entrepreneurial Characteristics Tick 10 items (√)	Common Characteristics	Leadership Characteristics Tick 10 items (√)
	Ability to motivate	
	Ambitious	
	Creative / Innovativeness	
	Decisive	
	Diplomatic	
	Dominance / Belief in control	
	Enthusiastic / Passionate	
	Far-sight / foresight	
	Flexible	
	Insightful	
	Inspirational	
	Integrity / Trustworthy	
	Intuitive	
	Need for achievement	
	Need for status and power	
	Opportunity orientation	
	Over-confidence / Hubris	
	Performance orientation	
	Persistent	
	Positive / Optimistic	
	Pro-activity / Initiative	
	Realistic / Pragmatic	
	Risk-taking	
	Self-confidence / Self-efficacy	
	Single-minded	
	Sociability / Good networkers	
	Stress-resistant	
	Thick-skinned	
	Tolerance for failure / Resilience	
	Visionary	

Appendix B: The Interview Schedule

Title: The Perceived Personal Characteristics of Entrepreneurial Leadership

- This interview will take about 60 minutes, including completion of the questionnaire.
- This interview will be audio recorded.

PART I: QUESTIONNAIRE SURVEY

Demographic information (for statistical purposes):

1. Name (or preferred name):
2. Gender:
3. Age / Age range:
4. Nationality / cultural background:
5. Education (in general or highest education):
6. Years of working (maximum):
7. Current organisation:
8. Position / Title:
9. Profession / Business area:
10. Are you self-employed or working for an employer?
    - ☐ Self-employed
    - ☐ Working for an employer

Questionnaire (see the questionnaire sheet)

PART II: INTERVIEW QUESTIONS

Background Information:

■ If you are self-employed:
1. How many years have you been running your own business?
2. How many employees work for you (a maximum number in any period)?
3. Did you ever work as an employee in established organisations?
4. If yes, why did you leave the company and set up your own business?
5. Do you have previous entrepreneurial experiences or attempts?
6. What happened to former businesses?

■ If you are working as a manager in an organisation:
1. How many years have you been in managerial positions?
2. Currently at what level (a middle or senior manager)?
3. How many subordinates report to you (a maximum number in any period)?
4. What is the size of your organisation in terms of number of employees?
5. Did you ever run own business, alone or with others?
6. If yes, why did you change from being self-employed to working for an employer?

Three main interview questions:

1. In the context of this leadership research, entrepreneurial leaders include business founders/owners (i.e., individual entrepreneurs) as well as corporate entrepreneurs.
   - For corporate managers, do you think it is imperative or desirable to be entrepreneurial?
   - What is the role of leadership for individual entrepreneurs?
   - When comparing a company founder CEO and a professional executive, in terms of their leadership style, do you consider they have different leadership styles or no difference?
     - (if yes), how? & why?
     - (if no), how do you describe their leadership style in general?
   - When comparing a corporate entrepreneur and a traditional manager, in terms of their leadership style, do you consider they have different leadership styles or no difference?
     - (if yes), how? & why?
     - (if no), how do you describe their leadership style in general?
   - Do you consider yourself an entrepreneurial leader?
   a) If yes,
     - What are the distinct / important characteristics or qualities of an entrepreneurial leader?
     - Do you think these characteristics distinguish you from other managers or leaders in your organisation (if the participant is a corporate manager) or other entrepreneurs (if the participant is a business owner)?
     - Please describe an actual situation where you have demonstrated entrepreneurial leadership?
   b) If not,
     - Can you recognize anyone else as entrepreneurial leaders?
     - What makes you consider them as entrepreneurial leaders? Please describe an actual situation where this person has demonstrated entrepreneurial leadership?
     - Do you think they are different from people who are leaders only or entrepreneurs only? In what way?
2. Do you consider that entrepreneurial leaders tend to be pragmatic in handling ethical issues?
   - What is your understanding of "being pragmatic" in general?
   - Is a pragmatic approach positively or negatively related to leadership ethics? Please give examples of your answers.
3. Entrepreneurial efforts have high failure rates, and being a leader, in some sense means taking responsibility for failures.
   - What are your perceptions of entrepreneurial leaders' attitudes to failures?
   - Do you consider entrepreneurial leaders more resilient than other leaders or managers? Why? Please give an example.

PART III: CLOSING STATEMENT

Appendix C: Findings of Research Question 1 - Characteristics of ELs

Note: BO - Business Owner; CM – Corporate Manager

	Participant	Awareness of entrepreneurial leadership	Entrepreneurs versus leaders	Characteristics of ELs
1	**BO01**	Yes, absolutely [I am an EL]. I am willing to take risks and also can see very clearly where I want to take the business. I pride of myself on the ability to attract the right people to work with them and bring the best out of them for the common goal.	Leaders vs Managers: Real leaders can innovate; can really have followers; have certain vision. They mobilise the whole team to reach goals in spite of the odds. While as a manager, usually just make sure to keep everything in shape; they tend to keep the status quo. There is a common saying that a leader is someone who does the right thing, but a manager someone who does the things correctly.	I can see very clearly where I want to take the business. / You have to have ability to attract good people to work with you. I pride of myself on the ability to attract the right people and bring the best out of them for the common goal. / One of the characteristics of ELs is to see things that other people can't, and have the belief that you can make the things happen. / We had the courage to not to be led by them but we lead them, to get them to accept what we believed in.
2	**BO02**	Yes [I am an EL]. Definitely to have an open mind, to be aware of opportunities, to be able to see a long way in advance. Definitely to be fearless; what I mean by that is to be brave, to take risks. It is actually OK to have a failure. I place integrity first, opportunity second.	It is the difference of degree of autonomy and freedom, which is important. If I am an executive reporting to a board, obviously I have less control or influence over decisions; while if I am in a company which I founded and am fundamentally controlling, I have all freedom in decision making.	They are driven to be not just commercially successful but to contribute to a greater good. / It is the difference of degree of autonomy and freedom, which is important for strategic decisions and risk-taking. / I have a bias towards performance and getting things done. Certainly financial success is important but what I want to achieve is more than just building a profitable company. / Definitely to be fearless; to be brave, to take risks, to have courage to face failures.
3	**BO03**	Yes [I am an EL]. With my vision for my life, I want to make a difference, I want to be remembered for making that difference, and I want to that difference continues when I leave.	I think it is just a natural part. You can't be an entrepreneur without being a leader, but you can be a leader without being an entrepreneur.	They [ELs] are visionary, want to make some differences in the world, leave a legacy behind. / An entrepreneurial person is pragmatic and intuitive. I am a big believer in "fake it till you make it". Intuition is very important. You have to listen to your inner voice and be able to stand for what you know as right.

4	BO04	The term entrepreneurial leadership is not a term that I am familiar with. I am certainly familiar with the term entrepreneur. There is distinct difference between somebody operating in a corporate environment versus a start-up person. A corporate EL has to work in a corporate environment and has to take it into account of different facts than an entrepreneur who may set up a lot of rules himself. Look at my own situation that I can do and choose as I please. I don't have anyone to answer to other than my costumers.	An entrepreneur is just looking for opportunities and doesn't necessarily have to provide leadership. I do consider myself entrepreneurial but not a strong leader. I am more an entrepreneur rather than a leader.	They are kind of "bravado", like over confidence. / An entrepreneur is just looking for opportunities and doesn't necessarily have to provide leadership. ELs can actually draw a lot of people into what they believe are good opportunities and work together. They can see the big picture, engage more people, and seek opportunities for business in the long term. / Because of his bravado, there are some ethical issues in terms of that he has to over-promise to get people's trust.
5	BO06	Richard Branson fits the category of being an EL. He is very entrepreneurial and he also shows the leadership at the same time.	The entrepreneurial attributes are not as same as the leadership attributes. Alan Bond, very entrepreneurial but he was not a leader because he lacked ethical good standards. People who are perceived as being great leaders, Johnny Kennedy, Weary Dunlop, and Mohammed Gandhi, are not entrepreneurial but great leaders. An entrepreneur is more intuitive with the way they think about things. / Entrepreneur vs business person: An entrepreneur is not necessarily a business person. A business person is not necessarily an entrepreneur. Entrepreneurs start off because they have a dream to do something. Many entrepreneurs do not even bother going through the normal business planning process.	Steve Jobs is entrepreneur translating that into leadership. He is along the Richard Pratt line that he had the ideas but he got very good people behind him in order to implement those ideas. / Richard Branson is very entrepreneurial because he is very intuitive; he seizes market opportunities.
6	BO08	Apple's Steve Jobs and Ken Olsen of Digital Equipment Corporation were founder ELs. Ian Brown, Managing Director of SGIO Insurance, is an "intrapreneurs", a corporate EL.	Individual entrepreneur vs corporate leader: The big difference is in the area of ownership and commitment. / Leadership vs management: managers tend to organise process and coordinate and supervise a team, but a corporate entrepreneur is focused more on doing something different than typically what I would see a manager.	ELs exhibit the characteristic of doing something different. Something that was new. Something that requires some vision, and they build a team around them to actually achieve that vision. / It's a different level of risk taking due to different ownership and commitment. / A lot of people call themselves entrepreneurs, but they're just inventors. / Understand and exploit opportunities.

7	BO09	People like Steven Jobs, they are definitely entrepreneurial leaders, because they are innovative people, they see the opportunities, and they build the organisation to manifest opportunities.	There is a big difference between a leader and an entrepreneur. Entrepreneurs engage in economic activity while leaders might be someone like Dalai Lama or Kofi Annan who does not concern with financial remuneration. They concern with missions. / Entrepreneur is somebody who wants to do deals. They are wild cards, kind of mavericks. They may be a leader and they may not be a leader. John Demartini, he is very entrepreneurial and very inspirational, but he is pretty much a one-man band. I am quite entrepreneurial; [but] I haven't been such a good employer. / Leadership and entrepreneurship are complementary.	Entrepreneurs are risk-takers. Leaders may be risk-adverse. So ELs will be a hybrid, a synthesis. They are less risk-adverse than a straight leader. They'd still be risk-takers. / Els are innovative, can see the opportunities, and they build the organisation to manifest opportunities.
8	BO13	These people [ELs] can influence the way we live these days. For example, the Wikileaks [Julian Assange].	Corporate leadership: the organisations have very rigorous processes and the individual is just part of that. On the other hand, the start-up people or founder of a company do not believe rulebook, process, policy, or governance, whatever. If you look at Facebook type of person, they did n not start with that; they just started with ideas.	In government I had to convince people that I can achieve more because if you are too creative they think you are not working. Good entrepreneurs take limited resources and redesign them in new ways to generate value. They are creative and are more likely to become successful. / My job is to create. /One of the top characteristics is being "thick skinned". / We have to persist. Do not give up. / Entrepreneurial people can see what the other people can't recognise. / Go and try; someone else might not take this step to try.
9	BO16	ELs are people who want to grow a business. They might be the owner or a hired person. Anyone can be entrepreneurial leaders with certain personality, even you are not the founder. We have 25 but I believe we can have 1000 people in my organization. I will lead my company to that point.	Successful ones [entrepreneurs], not everyone [having leadership]. People who can lead bigger flock can actually grow bigger business. It actually matches their leadership abilities, and people can be in different levels.	A business founder sets up company vision. / You set the true values for the company. That comes from who you really are and what you believe in. For me, it is to be able to make a better world, to impact other people. / To find right people and to lead the people. You build up their faith in the company and they are committed to the company's vision. / I take risks in that I make big decisions which if fail could be most costly for the company. The bigger that the company, the greater that the

				responsibility. / They not only make money but enterprise. They are always setting goals much bigger than what they really are because that is the only way how they can grow.
10	BO19	Steve Jobs and Richard Branson, they are very different kinds of entrepreneurs but both have leadership skills, visionary, innovative, risk taking, all of that stuff. If they do not have that, they would not have been successful.	If an entrepreneur does not have leadership skills, I do not think she or he would be successful. I think they are successful because they are entrepreneurial leaders; not the other way around [that they are entrepreneurial leaders because they are successful].	The first is passion, because that is what inspires other people. / To be OK to take risks; you cannot be risk averse. / Do not fear getting into deep or losing all you have. / Be able to communicate your passion and your vision in order for people to follow. / Leading by example; "I live what I believe".
11	CM05	Senior managers who start a new function in an organisation need entrepreneurial leadership. I do consider myself an EL, not from running an own business, but from developing and designing a new function.	Entrepreneurial leadership is something that not all leaders may aspire to. Certain leaders may be good at traditional style leadership roles. / Senior managers need entrepreneurial leadership to be able to establish a new function.	Be able to set the direction and convince others to get them buy into it. / To build team capability and take those people on that journey / That's the difference between entrepreneurial leadership and leadership in general in terms of creative thinking and capability; ELs need innovation and creativity/ Be able to be in a position to identify and exploit opportunities so that you get maximum advantage for the organisation. / I do not have a VP title or a large team. I believe what I am doing is rewarding. / To be approachable. / Be able to manage change exceptionally well and understand what the risks are. You need to take risks but you must understand the consequences and impact of those on the organisation and on people.
12	CM07	He [the EL] is just different from all of us. The bureaucracy annoys me and I tempt to work outside of it and try to be innovative. But at times, it is easy to just confirm to the bureaucracy. So I tend to have a bit of both, the entrepreneurial and the bureaucratic sort of approach. He is incompatible with bureaucracy	While a majority of managers are focused on process and bureaucracy, he is much focused on the objective and achieving outcomes.	He is a leader but he is also entrepreneurial. I saw him being different because he worked at being more innovative. He is very focused on achieving his objectives. He provided motivation and inspiration, and worked in all different levels of process but was the hidden drive along.

13	CM10	I have never owned any business before so I can't say I am an entrepreneurial leader but I do have some entrepreneurial skills as an academic leader. I maybe more entrepreneurial than other leaders in this institution.	Entrepreneur and leader are two different things. Leadership is broader than entrepreneurship. A leader is a person who takes people along with you to achieve a common objective. An entrepreneur is good at mobilising different sources. Sometimes they do not need to take people along with them. An entrepreneur sometimes tends to cross the line; as a leader, you can't do that because you must demonstrate integrity. / Entrepreneurs are different from leaders, but we can have an entrepreneur as a leader as well. This is a transition.	In general terms, an entrepreneur takes greater risk than a leader. It is different authority and objectives due to the different ownerships. / I do have a number of characteristics being entrepreneurial. For example, I am creative, in developing a product or in developing an approach to solve a new problem. / I tend to achieve tangible result or outcome. I tend to be more flexible. / As a leader, you should tend to be more cautious, take less risk than you were a pure entrepreneur.
14	CM11	Yes I see myself an EL in the organisation. I am visionary. I have long view about where the business should go. And my strategies in sales are much different from what are believed the best practices in this industry.	Entrepreneur is very much born with. You are born with some qualities of being entrepreneurial. Leadership is a very situational thing. You can be a good leader in a situation where you are of expert skills but in other situations you can't be due to lack of knowledge in the subject. / Leader vs manager: Leader operates at a macro level, at a higher level, at a visionary level. Manage works at an operational level. A leader can also be a manager but it is rare to get both of these in one person.	They [ELs] must have very strong leadership to bring others in and put together everybody's energy and strength to turn this into a workable organisation. / I am visionary. I have long view about where the business should go.
15	CM17	Our direct general would be seen as an entrepreneur leader. She has a very strong leadership style that is certainly blending private and public sectors engagement together. And she is very committed and strong with her direction that she gives the organization.	I think her [the EL] as opposed to some other government leadership styles; her strong leadership blends private and public sectors engagement together. Whereas the managers who are not at that level have still got a very government focused way of managing things, as directed as public servants within a smaller scope of what they do. Her leadership style is certainly different from a leader only, focusing more on outcomes rather than on the human resource side; and also different from entrepreneurs only in probably restraint of that she is in a government position.	She [the EL] is determined to bring the performance to a higher level. She is very strong in delivering what she wants in spite of confrontations with senior management. / She is not afraid of making hard decisions. / She has a wide-scope of involvement, and shows more entrepreneurial focus on achieving results. / She came in with an attitude of "this will be fixed" rather than any choices, and really strong drive to move forward regardless of the cost.

16	CM18	Entrepreneurial leadership for me is to be seeing the vision for the future, and getting people to come on board and join that vision. Make that vision happen.	They are intertwined and connected to a certain degree. Entrepreneurs, you have to be bold, be willing to take risks, and be willing to try and invent a new territory which does not already exist. While for leaders in an establish organisation, you can carry up the role of leadership by keeping the organisation on track and in good condition without really doing anything exceptionally new or taking any big risks. So it is possible as a leader to break into a new territory or to do entrepreneurial type of things, but it also very possible as a leader not to do that, just maintain the status quo. / Entrepreneur without leadership does not exist. So any entrepreneur is an entrepreneurial leader.	I try to create a vision, for where we are going to go, and get people to buy into that vision and to feel ownership with that direction. / My vision is to promote quality music. We also have to balance the need to make money with the artistic consideration. / To get a strong team, a team that have belief and passion. They believe in the vision you created. / An EL is someone who breaks new ground, moves to a new territory, and comes out something that is new and initiative. / So being able to be persistent and sticking with the idea and vision but also being able to take criticism and being willing to change and modify when it is appropriate.
17	CM21	He [the EL] grew that business from being only a few employees ending up to being 30 employees; he took that the business as his own … He completely looked things in different ways.	For a government organization, corporate entrepreneurship is not one of the values they would stand for. They would not use that language because it is too scary as a concept [entrepreneurial leadership].	A corporate EL creates the vision while traditional manages carry on the vision. ELs see the big picture, see the future, more visionary. / He [the EL] took that business as his own. He often said "it is safe but I am not doing it that way". / What he did is kind of revolutionary at the time / He is a corporate entrepreneur because he recognised the gap and grew the business within an organization. But a lot of people in the organisation would say "Do not test the waters too much". / A corporate entrepreneur has the same qualities but is more passionate, enthusiastic insightful. They want to make a difference not just to get work done.
18	CM22	People like Apples Steve Jobs, Facebook's Mark Zuckerberg, Bodyshop founder Anita Roddick, or Patria Jaffries, a local talent, I think they are ELs. Patria is Dome's ex-boss. She founded Dome cafe shops and took it to global. She resigned as CEO, moving from entrepreneurial	It [entrepreneurial] is not one the strongest aspects of how one manager leads. As a corporate leader, entrepreneurship is only a small factor in the equation. / Entrepreneur may be egotistical, very driven by their own personalities and own judgment. Leader needs to know how to follow,	As an EL, you need to take risks, and often you got knocked back. / They have passion. They have commitment to success. They persist with their journey to ensure the ideas and the vision. That makes them successful ELs. / They have right social networks and

		leadership to transformational leadership now. Her role now is helping other start-up companies learn from her advice and experience.	being able to take a step back and not focus on the self.	are able to make people to follow their visions. / It is based on individual's leadership attributes. With entrepreneurial leadership, it is more about having persistence. Richard Branson, a world famous entrepreneur, people see him as a leader. I think you sort of evolve into whatever you want yourself to be. I do not think there is one mode that classifies how leadership should be.
19	CM24	Richard Branson has done very well. People who take a business from start-up to a fairly substantial size, and survived that journey which is one of the most difficult journeys, to grow up from zero to hero in a role in their life time. That is pretty substantial evidence of having done something right.	Leadership and entrepreneurship are closely related. As entrepreneur if you want to grow a company, you need to have leadership capacity. We also need to create or design large organisations where people can feel they are the entrepreneur in their own business. / Any entrepreneurial act, creating a new business to achieve somewhere, is not just somebody doing their own thing; it is not like self-employment. Founding a venture is going to grow value and employ people. It has to have a leadership component in it. The person who is the entrepreneur behind that business must have leadership capacity.	If you want to unlock enterprising capacity and innovation, you must take risks but you must evaluate risks. While pure entrepreneurs are more adventurous, ELs take calculated risks. / The capacity to use others, to encourage and inspire other people is what entrepreneurship and leadership overlap in many respects. / Entrepreneurs in a corporate environment often deal with things in an intuitive, less systematic way. / They got to be visionary, got to be capable of coming up with ideals that people will engage with.
20	CM25	I see Mandela is a civic entrepreneur. He is a great leader because he seized the unique historical opportunity and changed the nation. / I'm definitely a leader and there are elements of entrepreneurship; I'm definitely creative. I'm not inventing a million dollar company like Bill Gates did but I'm inventing and visionary about lifestyles. We actually encourage our employees to be creative and entrepreneurial.	Be entrepreneurial, it's not imperative and but I believe everybody's got an entrepreneurial thought. / An entrepreneur is somebody who is quite hyperactive, sharper, has that pizzazz, and would probably take a leap of faith. Whereas a manager would probably be more likely to monitor how things are going with a little bit of vision down the track; they are more mindful of the organisation. / An entrepreneur can also become a good leader and they do. And a manager, given the right encouragement, could become an entrepreneur if you can get that mind sharpened.	Andrew Forrest had a very small staff at the beginning. He couldn't pay them because he didn't have enough money, but he had the vision and they all believed he gonna to make it happen. He gave them shares of the business and everybody worked together towards one main goal.

Appendix D: Findings of Research Question 2 - ELs' Approach to Ethical Issues

Note: BO - Business Owner; CM – Corporate Manager

	Participant	ELs are perceived different from other leaders in terms of handling ethical issues.	ELs are more pragmatic.	A pragmatic approach is positively related to leadership ethics.
1	BO01	See more possibilities in handling a situation; more flexible.	Yes, because they can get the business done; focus on the substance but not the form; be practical.	Positively. The best approach is to find the fine balance, hear your own moral judgment but also to get job done.
2	BO02	Not less ethical than others. Won't compromise ethical decisions or anything; integrity first, opportunity second.	Yes. ELs are achievement-oriented, single-minded and focused, and very persistent. Religiously structured about getting things done and achieving results.	Pragmatism itself limits leadership perspective. If use constructively, can be a positive thing.
3	BO03	Are driven by a vision, not by money.	Yes. Be practical; not get caught in emotional situation; use intuition to do the right thing.	Neutral. It depends on the situation.
4	BO04	"Bravado" allows to put ethics a little bit down more than other leaders.	Yes. They recognise a realistic situation in front and take action based on that; may sacrifice the ideal for a pragmatic solution.	Positively. Realistically deal with day to day situations.
5	BO06	Three levels of ethical standards: the lowest is the pure entrepreneurs; in the middle is business people; leaders have the highest.	Yes, more able to adapt to the certain circumstances than a pure leader. Able to adjust to meet the needs.	An inverse relationship. The more entrepreneurial you become, the less ethical you can become.
6	BO08	No. All of them (entrepreneur, leader and EL), the right ones, have strong ethics.	Yes, ELs are decisive. A pure entrepreneur is more realistic than an EL in terms of the commercial outcome.	Positive. Can resolve an ethical dilemma with efficiency.
7	BO09	Leaders and entrepreneurs should be completely ethical because it is strategically good to be ethical.	Yes. They make things work in a real world; work with reality and come up with innovative solutions.	Positive. Being ethical is being pragmatic.
8	BO13	The personality type determines the level of risk, and the level of risk then determines how much people are willing to do ethically.	Yes. Can come to an ethical balance; create a new idea which works for both parties (win-win solution) and make money.	Yes. Can ethically see another point of view (diplomacy) and see opportunities.
9	BO16	Yes, they have greater responsibility so give deeper considerations.	Yes. Pragmatic is to get the resolution promptly and directly. They are pragmatic in many other ways as well, not only with ethical issues.	Positively. Can help get the concrete results. If you pragmatically approach things, people know where you stand; no confusion.

10	BO19	Yes. Have greater confidence and self-awareness, like having an internal compass, so it is easier for ELs to resolve ethical dilemmas.	Yes. ELs are able to make a decision quickly and assess the situation quickly.	Positively. Can be decisive.
11	CM05	They may push the boundaries further than traditional leaders in terms of ethical standards. They aren't as well governed by rules and regulations as traditional leaders are.	Yes, an EL has to handle situations in a practical manner; cutting the red tape and finding a solution which is practical.	Positive. Because can get to a solution quicker and it's in the best interests for both parties (win-win solution).
12	CM07	It is about achieving, getting success. Ethics is not the essential.	Yes. Get the job done; achieve the outcome regardless of how.	Positive quality; it gets done what needs to be done.
13	CM10	Yes. They are more flexible, not driven by rules.	Yes. Be flexible, realistic, and balanced between the two sides (benefits and costs) within a framework of ethic.	Positive. Because it is being creative for expected outcome.
14	CM11	Yes. The great desire for entrepreneurial success may override ethics and the organisational goal.	No. Pragmatic is being more balanced in judgment, weighing up the pros and cons. Els may be more minimalist in their ethical position.	Positive. Pragmatic decision making is more analytical and balanced.
15	CM17	For ELs, ethics sometime are back-benched until they achieve what they want to achieve.	Yes. Make decisions much more quickly but; consider only the end result and not the things that are around it.	Negative. Making a pragmatic decision sometimes means it is not highly considered.
16	CM18	It is very silly to try to pursue unethical business, and it is not necessary either.	Yes. Be sensible, common sense. Stick with values but modify approaches for better outcomes.	Neutral.
17		Yes, maybe not sensitive about ethical issues.	Yes. Being pragmatic is thinking various things, balancing both sides and making a decision on the merits of both. It is kind of decision making.	Positively, can make a balanced, just decision. However, if too pragmatic in a leadership decision, can become less decisive.
18	CM22	It should not be different. There should be transparency and accountability, always.	No. Being pragmatic is to be attuned to the current environment.	Neutral. It is about having all aspects. Any leader needs good balance. You can't be pragmatism all the time.
19	CM24	No. Ethics is critical to develop social capital. If unethical, eventually got caught.	It depends on person. Pragmatism is being realistic, coming up with thing which not only should be done but also can be done; less black-and-white; a form of compromise.	Neutral. To achieve a certain outcome, have to get certain amount of pragmatism, but the line between ethical behaviour and pragmatism is a slippery slope.
20	CM25	No.	No. Pragmatic is very staid, keeping everything boxed in; an EL is more creative.	Positive. People need to have a good understanding of what makes things tick.

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Appendix E: Findings of Research Question 3 - Five Dimensions of ELs' Resilience

Note: BO - Business Owner; CM – Corporate Manager

Aspects of resilience	Illustrative quotations
1. Emotion regulation	
▪ Normal emotional reactions to failure ▪ Less effected by negative emotions ▪ Recover more quickly from bad feelings	"The first time I ever failed, I was devastated." (BO02) "The question is what I do with that. I won't allow that to occupy my mind. I won't allow this to affect me … I'd make sure I am able to get out there and turn it around as soon as possible." (B003) "When we were going through that [business closure], obviously, I was feeling sad, distressful and all sorts of things." (BO19) "He became despondent because things did not work. But the next day he comes back and we go again. I would say I took longer to get over that frustration and to get the excitement back."(CM07) "I am sensitive to failures, I am aware of failures, and I am afraid of failures." (CM10) "He seems not too bothered about failures. Maybe he just does not get personally affected by." (CM21)
Learning and self-growth	
▪ Failure is learning experience for business ▪ Failure is a journey of self-actualisation ▪ Bounce back with more strengths	"Without experiencing that failure, I won't have contacts for future entrepreneurial opportunities because I learnt I am a human. Very important." (BO02) "It sources some strength that you see yourself coming out of the experience of being stronger." (BO06) "So it is a learning outcome." (BO08) "But if I had not been pushed to that limit, I would not have really known the depth of my vision, is it truly really authentic." (BO19) "Failure in terms of being an entrepreneurial leader is valuable because you learn lessons from that and you don't do it [fail in the same attempt] again." (CM05) "Failure tends to restrict my initiative but seems to push his initiative." (CM07) "They might fail many times but those failures would never stop them but make them stronger. They will take bigger challenges next time and identify bigger goal next time." (CM11) "They are just all learning experience, for the great and the good."(CM18) "All failures are opportunities to grow. It is a gift." (BO09)

Open-mindedness	
▪ failure tolerance ▪ Share and communicate	"I encourage people to try new things; and I always help them to overcome the feeling of failures. We have a 'no-blame' culture." (BO16) "You need to be able to communicate and create awareness about those failures, it is part of networking. You'll become more respected, especially people that you are leading." (CM05) "I am pretty open to share my failures with others, because I do not want people to fail again. I am also willing to correct myself if I made a wrong judgement."(CM10)
Realistic optimism	
▪ Failure is inevitable ▪ contingency plan ▪ Confidence and positive thinking	"Your focus is not on failure; your focus is on success. I worked against all the logical things that tells you it is failing. It was just really a blind commitment." (BO04) "There is almost an inherent recognition of the possibility of failure. ELs accepts that there would be potentiality of failure. They would attempt to minimize it by having contingencies." (BO06) "No one likes to face it. It is not pleasant. But if that is what you have to face with, you cannot un-face it."(BO19) "Most people under her leadership would expect that failure was not an option because of the way she deliveries leadership, very strong and confident." (CM17) "They try to remain positive and work as hard as possibly to ensure they do not fail. That can make differences. The thing on their agenda is not failing." (CM18) "If you do not think about the failure scenarios, you do not have contingencies." (CM22)
Passion and vision	
▪ Vision provides guidance and purpose to ELs' resilience ▪ Passionate commitment strengthens resilience	"You can always change the time frame or change your vehicles or approaches, but you always hold on your dreams and goals so you know where and why you carry on."(BO01) "They have a pursuit, a commitment, which comes back to perhaps passion." (CM11) "The passion for ELs, which is something driven within them, might be more encouraged to keeping trying, keeping trying." (CM22)