



Research Paper

Entrepreneurial Leadership and Employee Innovative Behaviour: A Conceptual Review

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ABSTRACT

The business context has seen rising competition for critical resources and numerous scholars have suggested that in the current complex and volatile environments, an approach to entrepreneurship is what is needed to confront the mundane way of operations in the organization of today. They argued that organizations must be more entrepreneurial to enhance their performance, their capacity for adaptation, and long-term survival. Behaviours of entrepreneurship are suggested from extant research in this field because evidence reads that the performance elicited from such is superior to others who do not deploy such behaviours. When entrepreneurship, entrepreneurial orientation and management is combined with leading, the resultant outcome is entrepreneurship in leadership. Because of the need to support the development of ingenuine capabilities in organizations such that could continually create apt value in organizations; it is needful to emphasize strategic approaches to entrepreneurship. It is recommended therefore to remain competitive and assure longevity; business leaders should imbibe a culture that promotes entrepreneurial innovativeness so as to adapt and remain competitive in the designated industry of operation.

KEYWORDS: Entrepreneurial Leadership, Employee Innovative Behaviour

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I. INTRODUCTION

Over the last two decades, globalization and rapid technological advancements have raised a situation where organizations encounter challenges like varying customer demands; no doubt, the incessant nature of competition in the business climate has put modern managers on their heels to innovativeness and ingenuity so that new ideas are explored, acquired and implemented for better organizational outcomes; when this is done, product/service offerings receive a touch of newness from technological advancements, managerial and administrative practices from such effects. What leads to innovative organization is the entire carefulness exerted upon organizational processes, operations and methods (Ramamurthy, Patrick, Flood & Sardesai, 2005). When issues of innovation are raised, the concept is not confined to specialists, scientists and other research and development professionals but organizations for long-term success to encourage and develop the innovative potential of all of their employees. In order to affect performance positively, there must be a conscious effort made towards creating, introducing and applying new ideas in the roles individual or teams play and this delineates innovative work behaviour (Janssen, 2000). It helps to develop new and creative ideas and to encompass their implementation.

In the rapidly changing competitive work environment, organizations are increasingly faced with the need to get engaged into innovative work behaviours to get enduring competitive work advantage and delivering newly developed product. Changing surroundings, access of the people to the information, changing demands of the clients, new and advanced technology, and rapidly changing circumstances play an important role in today's expanding world. A great deal of emphasis on employees' innovative work behaviour nowadays because of the changing needs in demands of customers which is happening at a pace that is rapid (Jung, Chow & Wu, 2003; Yukl, 2002). To meet this challenge, it is now preferred to hire innovative employees by strategic organizations (Ramamoorthy, Flood, Slattery & Sardesai, 2005).

Getz and Robinson (2003) reported that eighty percent ideas in the organization are generated by employees who are innovative. This innovative behaviour can be stimulated through an effective entrepreneurial leadership.

In a bid to elicit desired manner to achieve desired goals; a leader becomes influential to his followers; hence, effectiveness in organization different styles in leadership are deployed (Nahavandi, 2002). Economic development of enterprises in these contemporary times is traced to entrepreneurs (Sathe, 2003); literature supports its common usage today (Morris & Kuratko, 2002). However, the concept delineates organizational-level entrepreneurship (Wiklund & Shepherd, 2005).

Entrepreneurial leadership spells out both leadership and activities of entrepreneurship (Gupta, MacMillan & Suriec, 2004; Tarabishy *et al.*, 2005). To this end, is their (researchers) effort focused on the combination of entrepreneurship and leadership to birth the construct entrepreneurial leadership. This new leadership model has been used to show both entrepreneurship and leadership behaviour (Tarabishy, Solomon, Fernald & Sashkin, 2005). Who is needed to match this environment which is competitive is an entrepreneurial leader who is sophisticated to align to the complex and dynamic nature of the business climate (Cohen, 2004).

Entrepreneurial attitudes and entrepreneurial behaviours are high on the agenda of contemporary organizations. Yet, we know little about how such attitudes and behaviours are developed in employees other than via training. In day-to-day work situations, leaders have a strong effect on employees' behaviour. Hence, it is interesting to research what specific leadership behaviours encourage the entrepreneurial orientation.

Leadership theory and entrepreneurship theory proposition that launching, sustaining, and growing successful business enterprises require effective leadership style and entrepreneurial orientation to successfully influence business performance (Gupta, MacMillan & Surie, 2004; Lumpkin & Dees, 1996; Miller, 1983). A business owner's failure to identify and apply an effective leadership style that supports a strategic entrepreneurial orientation diminishes any organization's capacity for successful business performance (Burgelman, 1983, 2015; Cossin & Caballero, 2013; Gupta *et al.*, 2004; Pawar, 2003; Schumpeter, 1934, Yang, 2008).

Dating back several decades, Schumpeter (1934) argued that organizational entrepreneurial activity drives the business performance of the organization. More recently, Burgelman (2015) argued that the freedom for entrepreneurial activity within an organization depends in large measure on the leadership style by which organizations manage stable strategic process systems while embracing the risk, innovativeness, and proactivity that define entrepreneurial activity (Burgelman, 1983, 2015; Covin & Slevin, 1986; Miller, 1983; Wiklund & Shepard, 2003, 2005). Scholars agree that employees will refrain from behaving entrepreneurially without signals that top-level managers support such behaviour (Burgelman, 1983, 2015; Wales, Monsen & McKelvie, 2011).

How leadership style and entrepreneurial performance relationally depend on internal and external organizational contingencies (Barney, 2015; Ramsey, Williams & Mendez, 2004; Stinchcombe, 2015).

Racio-ethnic diversity is a contingency of minority business subgroups (Ramsey *et al.*, 2004), which may inconsistently influence the generally accepted relationships between leadership style, entrepreneurial orientation, and business performance. The problem, however, is that there currently exists an absence of empirical evidence situating these propositions within the contextual realities facing minority-businesses owners such as, unequal access to education, training, access to funding, racial bias, or others realities currently not known. This paper therefore seeks to explore the relationship between entrepreneurial orientation and leadership styles and its effect on business performance.

An entrepreneurial behaviour in leadership is germane because through it, organizational members and their unique values are identified; thus, it is considered vital in a variety of organizational-sustainability-related aspects, such as fostering innovation and adapting to changing environments (Renko, El-Tarabishy, Carsrud & Brännback, 2015).

Entrepreneurial leadership plays a significant role in determining the success of business ventures (Lubis, 2017). Cogliser and Brigham (2004) have opined that leadership traits deemed effective is required among entrepreneurs at the micro level in order to develop their businesses in a successful way; this is as it concerns small businesses. Perhaps, this may be the reason that the theme of micro-enterprise success has emerged as popular among entrepreneurs and researchers, especially for those keen in discovering a definitive formula for successful micro-entrepreneurship (Webb, Bruton, Tihanyi & Ireland, 2013).

Specifically, within the context of the entrepreneurial leadership characteristic, for instance, Lubis (2004) views the concept as relatively new and a growing area of interest that requires deeper knowledge penetration. Meanwhile, micro-enterprises have been reckoned for battling several limitations in terms of personal traits and competencies among owners that hinder their growth, survival, and sustainability (Lateh, Hussain & Halim, 2017). According to Rahman (2016), extremely low principal skills are generally one of the main reasons for micro and small businesses to face barriers at accessing formal markets.

II. LITERATURE REVIEW

Concept of Entrepreneurial Leadership

Entrepreneurial leadership is parked at the intersection of leadership and entrepreneurship (Renko, El-Tarabishy, Carsrud & Brännback, 2015) wherein leadership translates the process of influencing (Yukl, 2008) whereas entrepreneurship reflects both the entrepreneur and the intersection of an entrepreneur with his or her surrounding opportunities (Renko, El-Tarabishy, Carsrud & Brännback, 2015). In reviewing the relevant literature with the objective of identifying the most significant dimensions that reflect entrepreneurial leadership, a list of essential attributes, including vision, opportunity-focused, influencing, planning, motivating, creativity, achievement-oriented, flexibility, persistence, patience, risk-taking, high ambiguity tolerance, tenacity, power-oriented, self-confidence, proactive behaviour and internal locus of control (Becherer, Mendenhall & Eickhoff, 2008; Stogdill, 1948) has been unravelled where the concepts of entrepreneurship and leadership converge.

In particular, Becherer *et al.*, (2008) and Stogdill (1948), asserted that one of the significant traits of being a successful leader refers to the desire to accept responsibility as well as to occupy a position of dominance and control. Accordingly, Natuna and Rinaldi (2017) have noted that for the possession of competence in entrepreneurial behaviour, professional accountability is needed to be possessive in individuals who are early start ups; thus, creativity, risk-taking are core values that cannot be maneuvered. From the stance of the related context, Greenberg *et al.*, (2011) upheld that when an organization's future goals and environment reflect the past, it is time for entrepreneurial leaders to adopt analytical models in predicting and managing the situation. Finally, Renko *et al.*, (2015) held that in developing effective entrepreneurial leadership, there are individual-level antecedents such as demographics of leaders and emotional intelligence could be rated highly significant.

As entrepreneurship among low-income or underprivileged entrepreneurs is the locus of this study, it, thus, focuses and builds on the traits or personalities that should be displayed by entrepreneurial leaders (Stogdill, 1948), instead of their actions (Renko *et al.*, 2015), as entrepreneurship is exemplified by the traits exhibited by an entrepreneur (Man, Lau & Snape, 2008), particularly among entrepreneurial organizations where entrepreneurs play the founding and dominant role for business progression (Daily, Patricia, Covin & Dalton, 2002). Hence, based on the above, the selection of the following entrepreneurial leadership components has been conceptualized on empirical evidence that suggests one's personality plays a key role towards the origins of entrepreneurship (Frank, Lueger & Korunka, 2007). With focus placed on the perspectives laid down above, this study limits its discussions to the constructs of immediate interest, i.e., responsibility, accountability, analytical thinking, and emotional intelligence, thus depicting the notion of entrepreneurial leadership and articulating their respective effect on enterprise performance and sustainability.

III. ENTREPRENEURIAL LEADERSHIP DIMENSIONS

Responsibility

Responsibility is reflective of habits that reinforce the capacity of a leader to organize and thereby expedite cooperative efforts generated by alertness and intelligence towards the motives and needs of others and followed by insight into situations (Stogdill, 1948). Meanwhile, the performance of a micro-enterprise as a multidimensional construct that blankets the operational and financial outcomes of a firm (Venkatraman & Ramanujam, 1986) depicts the personality of the owners (Burnard & Bhamra, 2011; Naffziger, 1995). Moreover, the RBV upholds that specific traits of business managers from the stance of valuable knowledge, skills, beliefs, and capabilities can accelerate the performance of an organization (Barney, 1991; Grant, 1991; Wernerfelt, 1984). Thus, the concept of responsibility viewed as an individual's specific ability may serve as a valuable and unique capability in channelling firms towards superior performance. Responsibility is closely associated with leadership, and hence, has been reckoned to be an essential characteristic of a leader (Stogdill, 1948). Within the context of entrepreneurship, the significance of responsibility as part of a leader's traits can be explained by the fact that entrepreneurs work within a relatively unstructured environment where they need to be wholly responsible for every aspect of the enterprise, such as sales, recruitment, public relations, and negotiations (Kuratko, 2007; Zhao & Seibert, 2006). Empirically, Rodríguez and Cruz (2007), revealed a positively strong correlation between responsibility (environmental and social) and enterprise performance

Accountability

Accountability in leaders has been considered to be an informal and socio-political process where one is expected to behave in a particular manner to uphold an appropriate social order (Hall, Blass, Ferris & Massengale, 2004). Based on the RBV theory, accountability can be characterized as an individual-specific capability that serves as a valuable and unique capability that may lead firms towards superior performance (Barney, 1991; Grant, 1991; Wernerfelt, 1984).

As leadership is the process of occupying one or more positions responsibility in group activities (Stogdill, 1948), it is fundamental that accountability (a socio-psychological process), as a trait displayed by leaders, brings individuals to be held responsible for their actions, and thereby abuse of their otherwise well-connected status can be controlled (Hall *et al.*, 2004).

As a fundamental construct of organizational theory, accountability has a vital function in managing organizations, particularly within the context of entrepreneurial leadership, where certain organizational members have influence upon others towards achieving organizational goals (Hall *et al.*, 2004). Similarly, Tan and Kao (1999) noted that accountability has an impact upon work performance. Empirically, Nuhu and Hussani (2017), discovered that the accountability and composition exhibited by directors have a positive impact upon perceived enterprise performance. Moreover, based on prior studies, accountability can be regarded as a crucial determinant in promoting performance in firms (Kobuthi, K'Obonyo & Ogutu, 2018; Rimvydas, 2017).

Analytical and Critical Thinking

Analytical and critical thinking have been perceived as intellectual leadership thinking introversion, whereby alertness to the surrounding environment and understanding situations are closely associated with leadership capability (Stogdill, 1948). Theoretically, the RBV posits that an entrepreneur's analytical thinking as a rare and valuable capability for a firm, inimitable in nature, can generate superior enterprise performance (Barney, 1991).

Empirically, such a capability does not only facilitate leadership experience but also supports leadership training (Ricketts & Rudd, 2005). Besides, analytical thinking represents the ability within one to see beyond simple facts and to think complexly at a more comprehensive level, thus highlighting the significance of the concept among entrepreneurial leaders, who need to address complex issues continuously with relatively intricate solutions, along with an ethical, reflective, or moral approach enhanced by critical thinking (Flores *et al.*, 2012). Elson *et al.*, (2018) claimed that attention is given by employers and leaders towards the need for critical thinking skills in the workforce arena so as to generate business trends of evidence-based decision-making, thus emphasizing the increasing importance of a critical thinking skill set as well as its impact on professional performance. Within the context of entrepreneurship, business leaders lacking leadership attributes, such as higher cognitive processing, appear to be less effective, hence indicating that a deficiency in critical thinking can negatively affect their ability to lead an enterprise (Drath, 1990). Meanwhile, Ibdah (2018) claimed that analytical thinking, as a means of confronting problems and dealing with both internal and external changes related to varied business activities, boosts the performance level of firms. Additionally, Kealey, Holland and Watson (2005) empirically proved that analytical thinking skills contribute significantly towards performance among students.

Emotional Intelligence Concept

Effective leadership that results within the time frames required for industries and stakeholders is generated through a much needed critical element: emotional intelligence (Aslam *et al.*, 2018). In accordance with the RBV theory, an entrepreneur's emotional intelligence, as an individual-specific capability, may lead to superior performance in organizations, thus channelling them towards sustainability from unique and inimitable resources (Goyal & Rahman, 2014; Weinberger, 2009).

Empirically, Nanayakkara *et al.*, (2017) found that emotional intelligence displayed a significant effect on non-financial organizational performance, which is a social and an environmental sphere of sustainability. Social and emotional competencies, such as the ability to manage ones' own emotions, effectively solving problems, and cooperatively working with others, are integral elements to attain work-related sustainability. Humphrey *et al.* (2007), further provided support to the view that both social and emotional aspects of learning have to be considered for long-term organizational impact and sustainability.

Impact of Leadership Styles on Entrepreneurial Performance

Due to the importance of entrepreneurship and leadership, some researchers tried to combine the two concepts into entrepreneurial leadership to explore both entrepreneurship and leadership behaviour (Gupta *et al.*, 2004; Tarabishy *et al.*, 2005).

Gupta *et al.* (2004) defined it as "leadership that creates visionary scenarios that are used to assemble and mobilize a 'supporting cast' of participants" (pg. 242). An operative style of leadership needed is entrepreneurial leadership (Tarabishy *et al.*, 2005). The construct emerged in literary studies as coined by those who realized such change the style of leading was called for. Tarabishy *et al.* (2005) asserts entrepreneurial leadership as understandable because of the unprecedented business climate that business institutions are expected to exist in (Tarabishy *et al.*, 2005).

Entrepreneurial leadership and effectiveness therein is perceived by Autio and Antonakis (2005) as influenced by the situation wherein pertinent. Two kinds of entrepreneurial leaders were observed by Cohen

(2004); a) leaders who reside at the top of the organization chart and (b) leaders across all levels within the organization.

An instrument was developed by Gupta *et al.* (2004) to measure entrepreneurial leadership. There were two challenges although interconnected experimental which leaders face first: creating a scenario of possible openings that can be seized to transform the current deal set having predicted it adequately, given resource constraints which they label as scenario enactment. The second challenge is to convince both potential followers and the firm's network of stakeholders that the transformation of this transaction set is possible by assembling resources (including recruiting additional cast) to accomplish the objectives underlying the scenario. They call this task cast enactment. Setting and cast portrayal are co-dependent since renovating the business set through scenario enactment cannot be conceived without an appropriate cast and the cast cannot be assembled until a convincing scenario is communicated. Both developments evolve cumulatively and in iterative nature much like the process of competence development involves the parallel evolution of cognitive understanding and deftness in practice in project players or the harmonising processes of concrete and abstract learning (Gupta *et al.*, 2004).

The literature (Covin & Slevin 1989; Lumpkin & Dess, 1996; Xu & Xu, 2012; Yang, 2008) suggests that a high degree of entrepreneurial orientation affects the business performance in a positive way. The dimensions of entrepreneurial orientation that appear to contribute the most to high business performance are proactiveness and innovativeness. Risk taking, competitive aggressiveness and autonomy also have some effect but not as significant as the first two. For example, the relationship between risk taking and the performance of an organization is more likely to be affected by other factors such as environmental and industry factors.

An entrepreneur who holds the top position in an organization is seen as the leader of the organization that has certain leadership attributes and entrepreneurial characteristics. Many previous researches have coined the idea of entrepreneurs as the leader of the organization (Dees, 2009; Henton *et al.*, 1997). Numerous studies have tried to note factors understood to be those that affects organizational performance and leadership has appeared to become significant as one of most factors contributing to organizational performance. Therefore, entrepreneurs who are committed with the right leadership style may be the key towards organizational performance (Cascio *et al.*, 2010). Organizational performance and leadership have a valid link from past literary studies in this regard. For example, Kieu (2010), found that there was solid link between leadership with proceeds growth and profits. While Peterson *et al.* (2003) has established that the pledge of leadership to be substantial in the overall organizational presentation.

Theoretical Foundation

Theory centred on Entrepreneurial Orientation

The entrepreneurial orientation (EO) concept dates back to the 1970s (Covin & Wales, 2011); as early contributors deemed as one of the most in the field, Mintzberg (1973), indicate EO as the key element in any entrepreneurial firm. According to Khandwalla (1976/1977), EO orientated firms ought to be dynamic, creative and vibrant to stay ahead of their competitors. SMEs driven by entrepreneurial orientation (EO) tend to assimilate elements like risky taking, proactiveness and innovativeness to drive participants off the market by new products developed (Miller, 1983).

As Covin and Slevin (1988) indicate, leaders who have an EO mind-set should lead entrepreneurially driven organisations. Covin and Slevin (1989) note that businesses in more competitive and unstable environments should consider embracing the EO concept compared to their counterparts who operate in more stable business environments. According to Miller (1983), the EO scale consists of innovativeness, risk taking, and proactiveness. A significant number of studies in the existing literature have used the above three measure of EO, reporting high levels of reliability and validity. It was added by Lumpkin and Dess (1996) autonomy and aggressiveness to the EO prevailing measures. They argued that this could be able to give an in-depth and dependable measure.

The EO theory provides an important entrepreneurial activity and research framework guiding it, which is a key ingredient towards high performance of SMEs. SMEs should consider incorporating EO in their organisations if they are to survive and grow into future large firms that provide a dependable job creation capacity (Fatoki, 2012). EO is associated with high firm growth (Mwangi & Ngugi, 2014).

Muchiri and McMurray (2015) noted that firms which invest on EO outcompete their rivals in most cases. Many factors can affect the entrepreneurial orientation of SMEs. According to Musa, Ghani and Ahmad (2011), these factors can be internal or external. Internal factors include organisational structure, leadership style, firm size and management techniques among others while external factors include state of the economy, growth and trends in the industry, government rules and regulations (Musa *et al.*, 2011). This study chooses to elaborate on internal factors that affect EO particularly leadership styles. According to Miller (2011), current literature emphasizes a need to explore more on internal factors affecting EO.

Innovative Work Behaviour

A dimension deemed to possess comparative newness has surfaced in the field in extant years regarding innovation oriented and self-initiated behaviours. These actions are aimed at changing or bringing improvement in one's current situation (Parker, Williams & Turner, 2006). Such behaviours include proactive work behaviour and innovative work behaviour (Janssen, 2000). To bring about outputs with innovative touch and to organizational benefit is the essence behaviours of innovativeness are upheld. Employee's behaviours aimed towards making new products, processes and services are included in such behaviour.

For the reason of innovative output; the behaviour of innovation and creativeness have been emphasized in literature posited De Jong (2007). Innovative work behaviour is defined by De Jong (2007) as individuals' activities directed toward the commencement and intentional churning in of new and advantageous ideas, processes, products or procedure within a work role, group or organization.

De Jong (2007:19) described innovative work behaviour (IWB) as "individuals' behaviours directed towards the instigation and introducing intentionally (within a work part, group or organization) of new and suitable designs, methods, products or procedures". According to Baer (2012) and Kanter (1988), IWB remarks the improvement and initiation of well-worn and useful ideas and implementing these ideas into new and improved products, services or ways of doing things. Procedures, regulations and rules are not enough to elicit best behaviours in the work front; unusual circumstances drive the need for steps in innovation asserted Janssen (2003). Especially the firms operating in technology domain should be more creative and innovative rather than they did in the past in order to survive, compete, grow and lead (Jung *et al.*, 2003). IWB denotes that individuals go afar the scope of their job necessities to be innovative of their own free will. It includes idea generation as well as the types of behaviour needed to device progresses that will enhance personal and/or business performance. The construct innovative work behaviour (IWB) thus delineates both the initiation and implementation of ideas. Generally, discovering new ideas are the locus of creativity as within the sphere of innovation posited De Jong (2007). Initiation for idea generation is a divergent phase, including activities such as the recognition of problems and thinking about ways to improve things. This phase results in more suggestions for innovations, such as new products, services or work processes.

Enactment is a convergent phase directed towards the development and blast-off of innovations in order to acquire their benefits (King & Anderson, 2002).

King and Anderson (2002), described innovation process as two main phases: initiation and implementation. Distinction between the two phases is believed to be the point of the first deployment of the innovation; that is, the point at which the decision is made to implement the idea. First phase ends with the generation of the idea and second phase ends with the realization of the idea (King & Anderson, 2002).

Entrepreneurial Leadership and Employee Innovative Work Behaviour

Continuous innovation requires work behaviour from employees above and beyond their standardized job responsibilities (Park & Jo, 2018). Hence, organizations striving for innovation need to capitalize the abilities and willingness of their employees to innovate (De Jong & Den Hartog, 2007; Mittal & Dhar, 2015).

Employee innovative behaviour is a cognitive and motivational process (Afsar & Masood, 2018) that is directed at introducing, developing and implementing new ideas to provide useful and novel solutions to complicated and ill-defined problems (Zhang & Bartol, 2010). Existing literature recognizes the role of leadership in shaping individual attitudes and behaviours, including employee innovative behaviour (De Jong & Den Hartog, 2007; Khaola & Coldwell, 2019).

Leadership is a social process by which followers' voluntary participation is mobilized to achieve organizational goals and interests (Elbaz & Haddoud, 2017). Entrepreneurial leadership is a specific leadership style that directs and facilitates followers to achieve superior performance and meet organizational goals by recognizing and exploiting entrepreneurial opportunities through their creative contributions (Renko, El Tarabishy, Carsrud & Br€annback, 2015).

Leadership styles deemed people centric is what entrepreneurial leadership repetitively has been described and management research advanced its importance (Newman, Neesham, Manville & Tse, 2018), "CEO performance and entrepreneurship leadership (EL) in entrepreneurial ventures, outcomes of management at top and teams in entrepreneurial ventures: the mediating effects of psychological safety.

It was highlighted by Renko (2018) that entrepreneurial leadership as "entrepreneurial accelerator" and "entrepreneurial doer" (p. 388). When opportunities related to business operations are exploited; as challenge is given to the prevailing statuesque, they become the joy to these leaders. On the other hand, as doers of entrepreneurial, by fetching entrepreneurial activities, these leaders act as role models themselves and thus vicarious learning are promoted and advanced; by this, their followers to demonstrate behaviours of entrepreneurship.

Based on such a double role of entrepreneurial leadership, theory of learning socially (Bandura, 1977) can be summoned to elucidate how entrepreneurial leaders foster followers' innovative actions at workplace.

This theory suggests that individuals learn by observing and emulating others' attitudes and behaviours. Leaders are a noticeable source of role examples due to their managerial locus in the organization and their ability to utilize organizational wealth such as rewards to advance behaviours deemed germane (Newman *et al.*, 2018).

Entrepreneurial leaders not only themselves get absorbed in recognizing and exploiting opportunities but also accentuate the importance of such behaviours (Gupta *et al.*, 2004; Renko, 2018) and thus act as role models and encourage followers to exhibit innovation and creativity in their work activities (Newman *et al.*, 2018).

Empirical Review of the Study

An increased performance can be achieved by small firms if they invest well in innovativeness. This emphasis was laid by Hilgers (2011) who studied the relationship between international EO and performance of manufacturing family owned enterprise in Netherlands' small manufacturing firms. A multiple-case research design was adopted for increased generalizability and power in explanation (Miles & Huberman, 2014).

Hilgers sampled only 6 of small manufacturing firms by conducting an interview whereby innovativeness was indicated by new ideas generated, development for employees through training and introduction for the new product by use of technology. The study measured performance of manufacturing family owned enterprise by use of profit and sales goal achievement. Results of the findings indicated that innovativeness contributed largely in influencing performance of manufacturing family owned enterprise positively as compared with other firms' dimensions namely proactiveness, risk taking, competitive aggressiveness and autonomy.

Verhees, Klopčič and Kuipers (2008) examined the relationship between entrepreneur orientation and farm performance in Netherlands and Slovenian farmers. A sample of 239 was collected through posted questionnaires to farmers. Skepticism and creativity were used as a measure of innovativeness while farm performance was assessed by use of profit and financial results received by the farmers. Findings from the study showed that creativity as measure of the innovativeness had a positive relationship with farm performance while skepticism had an indirect relationship with farm performance. The current study will purpose not only to the direction of the relationship but also the significance.

Ali and Abdel (2014) studied entrepreneurial orientation among women owned enterprises in Somalia in relation to firm performance. A sample of 200 women companies were purposively selected to fill the questionnaires. The study purposed to specifically measure the impact of innovativeness, proactiveness and risk taking. Performance of manufacturing family owned enterprise was measured by use of six indicators, namely market share, sales growth, profit to sales ratio, market development and new product development. Innovativeness was measured using changes in products or service line. Correlation analysis for innovation and performance of manufacturing family owned enterprise was found to have a significant and weak positive relationship, and findings from regression analysis produced similar results supporting (Yong, Jing & Ming, 2008).

A study done by Oni (2012) on the relevance of entrepreneurial proactiveness on business performance drew samples from the Stock Exchange in Nigeria, the handbook and Corporate Affairs Commission book of registered companies. The enterprises were randomly selected according to the size and performance measures. A structured questionnaire was given to the senior managers. The findings showed that those enterprises on high enterprise proactiveness responded positively to performance measures with continuous increase in size and employment of skillful and competent personnel.

Gap in Literature

From literature review, it can be noted that most empirical studies conducted have some degree of inconsistency in the analysis and results. Some have observed the relationship and established the significance (e.g. Ali & Abdel, 2014; Mahmood & Hanafi, 2013) other researchers have only established the type of relationship (Hilgers, 2011) without trying to establish significance. Also, some studies have found no relationship (e.g. Peteraf & Barney, 2003). Therefore, the current study will endeavour to establish the nature of the relationship between the various dimensions of the entrepreneurial orientation and firm performance.

Some studies have like focused more on entrepreneurial orientation but few studies considered entrepreneurial leadership and thus which has resulted to limited information, hence, the current study on entrepreneurial leadership and employee innovative behaviour is conducted to fill this identified gap.

IV. CONCLUSION

This study was undertaken to examine the effect of leadership behaviours on entrepreneurial orientation (EO). These two variables are considered as essential variables for organisational success. The right leadership behaviour is an important ingredient for good organisational performance and to prevent organisational failures. The strengthening of entrepreneurship is important for any type of enterprise for

developing its responsiveness to a globalised and changing environment and EO is considered a key element for a firm's success. The form of leadership behaviour being practised by leaders has implications for the level of entrepreneurship in a firm.

V. RECOMMENDATIONS

- i. The right leadership behaviour is an important ingredient for good organisational performance and to prevent organisational failures, the styles of leadership that are supportive for better outcomes in organizations should be deployed
- ii. Entrepreneurial orientation should be encouraged across all organizational levels so as to remain responsive to the globalized and ever changing business environment
- iii. To remain competitive and assure longevity; business leaders should imbibe a culture that promotes entrepreneurial innovativeness so as to adapt and remain competitive too in the designated industry of operation.

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