# OpenAIR @RGU RGU RGU RGU RGU RGU RGU ROBERT GORDON UNIVERSITY ABERDEEN

This publication is made freely available under \_\_\_\_\_\_ open access.

AUTHOR(S):	
TITLE:	
YEAR:	
Publisher citation:	
OpenAIR citation:	t statement:
Publisher copyrigh	version of an article originally published by
in	
(ISSN; e	ISSN).
OpenAIR takedowi	i statement:
Section 6 of the "I students/library/lib consider withdraw any other reason s	Repository policy for OpenAIR @ RGU" (available from <u>http://www.rgu.ac.uk/staff-and-current-</u> prary-policies/repository-policies) provides guidance on the criteria under which RGU will ing material from OpenAIR. If you believe that this item is subject to any of these criteria, or for hould not be held on OpenAIR, then please contact <u>openair-help@rgu.ac.uk</u> with the details of ature of your complaint.
This publication is d	istributed under a CC license.

# **ENTREPRENEURIAL LEADERSHIP:**

# AN EXPLORATORY STUDY OF ATTITUDINAL AND BEHAVIORAL PATTERNS OVER THE BUSINESS LIFE-CYCLE

Eleni Kesidou

PhD Candidate, Hunter Centre for Entrepreneurship, Strathclyde Business School, Sir

William Duncan Building, Glasgow, UK, G4 0QU

eleni.kesidou@strath.ac.uk

Sara Carter\*

Professor of Entrepreneurship, Hunter Centre for Entrepreneurship, Strathclyde Business School, Sir William Duncan Building, Glasgow, UK, G4 0QU

sara.carter@strath.ac.uk

\*Corresponding author

#### Abstract

Strategic approaches to venture creation and development highlight the importance of entrepreneurial leadership to business success, yet remarkably little is known about what entrepreneurial leaders actually do and why they do it. This study addresses these key questions through detailed analysis of six case companies, each with multiple informants reflecting on critical incidents experienced over the business life-cycle. Contextual depth is achieved by going beyond cross-sectional investigation taking a chronological lens to the temporal dimensions of behaviors characterizing entrepreneurial leadership. This approach produced novel insights into the evolving nature of entrepreneurial leadership showing that entrepreneurial leaders transit from influencing to enabling behaviors as they move from the pre-organizational to the organizational phase of the business life-cycle. The findings contribute towards the conceptual elucidation of entrepreneurial leadership as a leadership style and help unpack the choice of entrepreneurial leadership as a strategic approach to entrepreneurship.

**Key words:** Entrepreneurial leadership, organizational emergence, critical incident technique, business life-cycle

Acknowledgements: We are grateful for the support and co-funding provided by Scottish Enterprise for this study. The study results and conclusions are the authors' own.

#### **1. Introduction**

The concept of entrepreneurial leadership is built on the premise that business success within highly competitive environments requires leaders with innovative and entrepreneurial mind-sets who are capable of leading rapid change (McGrath & MacMillan, 2000; Ireland et al., 2003; Gupta et al., 2004; Renko et al., 2015). Entrepreneurial leadership intersects the entrepreneurship and the leadership subject domains, and studies typically approach entrepreneurial leadership either as a distinctive style of leadership or as a strategic approach to entrepreneurship. Regardless the approach, there is an emerging consensus that entrepreneurial leaders adopt strategic viewpoints towards entrepreneurship; focus on opportunity and advantage-seeking; are able to envision routes towards successful futures, articulate and strategize towards realizing those visions; and finally act as accumulators and strategic managers of resources essential for their visions realization (Covin & Slevin, 2002; Cogliser & Brigman, 2004; Gupta et al., 2004; Fernald et al., 2005; Roomi & Harrison, 2011; Renko et al., 2015).

Despite growing interest, entrepreneurial leadership continues to suffer from conceptual under-development. A recent attempt to integrate entrepreneurship and leadership approaches conceptualized entrepreneurial leadership as a specific leadership style individuals engage in when deciding to adopt a strategic approach to entrepreneurship (Renko et al., 2015). This integrated definition facilitated the construction of an emergent scale designed to measure entrepreneurial leadership constructs, based on evidence from prior research. However, research on how these behaviors emerge and evolve over time remains noticeably absent. To respond to Renko's et al. (2015) call for further studies of entrepreneurial leadership behaviors longitudinally and drawn from specific contexts, this study addresses two remarkably under-researched questions: *what do entrepreneurial leaders actually do, and why do they do it?* The first question directly contributes towards the conceptual elucidation of entrepreneurial leadership as a leadership style by studying the evolution of leaders' attitudinal and behavioral approach towards entrepreneurship, while the second question attempts to unpack the choice of entrepreneurial leadership as a strategic approach to entrepreneurship.

Addressing these questions requires qualitative and contextual investigation of behaviors, attitudes and actions. Framing entrepreneurial phenomena by using theoretical lenses borrowed from the organizational behavior discipline (Gartner et al., 1992), we explore 'how specific patterns of interlocked behaviors are generated' (Gartner et al., 1992, p.15) and shed light on behaviors and attitudes that define entrepreneurial leadership. Drawing data from six highly entrepreneurial case companies, we study episodes of opportunity exploration and exploitation from the perspectives of multiple informants to identify key entrepreneurial leadership behaviors and behaviors and behavioral dimensions. Adding further contextual depth in our analysis (Welter, 2011), we go beyond cross-sectional investigation taking a chronological lens to unveil temporal dimensions of entrepreneurial leadership behaviors.

Following this introduction, the paper explores theoretical and empirical underpinnings of the notion of entrepreneurial leadership drawing attention to its actualization from the opportunity exploration/exploitation phase to vision realization. Arriving at the view that entrepreneurial leadership is actualized via a number of prevailing behaviors and attitudes, we explain the potential contribution of studying the notion with theoretical lenses borrowed from the organizational behavior domain. The study methodology and sample design are discussed in Section three. Thereafter, we provide a short description of the six case studies undertaken in order to allow for a high degree of contextualization in the findings that follow. The paper provides a detailed discussion of the main findings and concludes with reflections on the implications of the study.

## 2. Entrepreneurial Leadership: From Opportunity Seeking to Vision Realization

Entrepreneurship involves the discovery, exploration and exploitation of opportunities that lead to the creation of business ventures and the introduction of novel goods and services, ways of organizing, markets and processes (Shane & Venkataraman, 2000; Alvarez & Barney, 2007). But, creating or identifying and subsequently exploring and exploiting an opportunity requires both technical skills, such as financial and market analysis and also less tangible skills such as creativity, team building, problem solving, and leadership (Long & McMullan, 1984; Hills et al., 1997; Hindle, 2004). Opportunity-led entrepreneurship, the central theme of the entrepreneurial leadership paradigm, is also seen as a continuous process in which the individual engages in order to realize visions of strategic importance for the firm (Gupta et al., 2004; Fernald et al., 2005; Roomi & Harrison, 2011; Renko et al., 2015; Harrison et al., 2016). Accepting the premise that the fundamental purpose of entrepreneurship is to seize economic rents by exploiting opportunities that have not yet been fully exploited (Mosakowski, 1998), this strategic approach towards entrepreneurship is believed to eventually lead to competitive outcomes. Yet, to strategically pursue opportunity-led activities, entrepreneurs need to accumulate and activate a bundle of resources relevant - even specialized - to the opportunity (Foss, 2007). Hence, when opportunity exploration and exploitation become the mean to realize a vision of venture creation, resource

mobilization and development and strategic management are necessarily integral elements of entrepreneurial leadership.

An ever-evolving vision of the future guides the entrepreneurial journey towards long-term goals (Ruvio et al., 2010). Various studies have explained the role of visioning and vision communication in the process of venture creation and growth and have identified them as characteristic behavioural patterns of entrepreneurial leaders (Ensley et al., 2003; Gupta et al., 2004; Ireland et al., 2009; Ruvio et al., 2010; Renko et al., 2015). Visioning has even been viewed as the defining characteristic of entrepreneurial leaders, as visionary scenarios of value creation are purposefully created and used to bring together and organise followers to engage in their implementation (Gupta et al., 2004). Within the leadership literature, a vision has been defined as 'simple and idealistic, a picture of a desirable future' important not only to the visionary leader, but also to other organizational or external stakeholders whose support is needed for realizing the vision (Yukl, 2006: 295). In essence, entrepreneurial visioning is the leader's macro-perspective of the business which, in different phases, focuses on different aspects from nascent entity to maturity and growth. Each vision is a separate construct with specific characteristics that distinguish it from other visions, largely because leaders envision the future of their venture as an extension of their personal wants and needs (Timmons et al., 1994; Ruvio et al., 2010). Having a personal vision is not enough, however. Creating an appealing and attractive vision for their followers is what ultimately distinguishes entrepreneurial leaders (Gupta et al, 2004; Renko et al., 2015).

How entrepreneurial leaders influence and direct their followers is another key behavioral dimension, particularly with regard to how vision realization is achieved. Renko et al. (2015) explain that entrepreneurial leaders set example through role modelling behaviors, personally engaging in opportunity focused activities and by being innovative, creative and risk-takers. Simultaneously, they collaborate with other stakeholders, such as top-level managers, to encourage staff to engage in entrepreneurial activities through development of pro-entrepreneurship cognitions (Ireland et al., 2009; Renko et al., 2015). Previous studies have focused on empowering leadership behaviours since positive support and encouragement can increase the motivation and confidence of followers and help the accomplishment of defined goals (Conger, 1989; McGrath & MacMillan, 2000; Ireland et al., 2003; Covin & Slevin, 2002; Gupta et al., 2004; Renko et al., 2015). In addition, continuously reconfiguring business cultural norms towards the enhancement of entrepreneurial behaviour through the creation of enabling conditions, such as the establishment of economic and non-economic reward systems, has been found to be an equally important behavioural pattern (Ireland et al., 2009).

In sum, a review of the main behavioral dimensions of entrepreneurial leaders influencing and engaging followers from the opportunity exploration/exploitation phase to the vision realization can be encapsulated as: firstly, leaders act as *role models*, implementing a leading by example strategy; secondly, leaders act as *influencers*, using verbal and active encouragement to promote entrepreneurial behaviour within the organization; and thirdly, they act as *enablers* of entrepreneurialism by forming the appropriate culture and processes within the business to promote entrepreneurial behaviour. In so doing, the entrepreneurial leader actively encourages their followers to adopt the strategic posture and assume ownership of the entrepreneurial future of the business.

#### 2.1 Entrepreneurial Leadership as an Organizational Behavior

The view of entrepreneurship as an organizational phenomenon, in particular as a process of organizational 'emergence' (Gartner et al., 1992: 15), is well established. For existing organizations, phenomena such as corporate entrepreneurship, rapid growth, innovation management, and opportunity pursuit are similarly regarded as variations of the process of emergence (Van de Ven et al., 1989; Gartner et al., 1992). Basing their work on Weick's (1979) perspective which holds that each organization is the result of an on-going process of interactions between individuals which produce patterns of interlocked behaviors, Gartner et al. (1992) argued that organizational behaviour offers an appropriate theoretical lens for studying entrepreneurship. Under this paradigm, organizations are viewed as enacted phenomena in the sense that constant action - which sometimes even precedes thinking - is responsible for organization formation (Weick, 1979; Gartner et al., 1992). Therefore, viewing entrepreneurship as a phenomenon which focuses on emergence offers the means to progress the dialogue from *who an entrepreneur is* to *what it is that the entrepreneur does* (Gartner, 1988; Shane & Venkataman, 2000).

The very premise of entrepreneurial leadership has been developed progressively on unravelling and understanding prevailing behaviors and attitudes of individuals holding leadership positions within entrepreneurial organizations (Renko et al., 2015; Harrison et al., 2016). Mainstream research of the entrepreneurship discipline has concentrated on studying behaviors of high-level corporate managers (Covin & Slevin 2002; Gupta et al., 2004; Ireland, Hitt & Sirmon 2003; McGrath & MacMillan 2000; Thornberry, 2006; Renko et al., 2015). In the entrepreneurial leadership literature, the concept of 'enactment' has been used to describe those behaviors related to envisioning and creating scenarios of possible opportunities and attracting followers to execute them (Gupta et al., 2004: 247). In this regard, Renko et al. (2015) distinguished between behaviors that enhance opportunity creation, recognition and exploitation and behaviors related to influencing and motivating to pursue organization goals.

We advance these efforts by studying entrepreneurial leaders' roles, specific behaviors and responses to different situations (Gartner et al., 1992), while paying attention to differences in entrepreneurial behaviors over the business lifecycle (Parker, 2011). Behaviors, roles and responses can be expected to differ in the early stages of nascent entrepreneurship and early growth from those observed when the venture reaches maturity. Differences can also be expected between periods of stagnation, decline and diversification and subsequent periods of strategic effort to return to growth. To address this, we utilize a chronological framework to present and discuss the temporal continuum of behaviors characterizing entrepreneurial leadership and investigate relevant business life-cycle effects.

## 3. Data Collection and Sample Design

As entrepreneurial leadership has only recently emerged as a research focus and remains relatively under-explored, an exploratory case study research design was used to gain qualitative insights of the phenomena (Eisenhardt, 1989; Miles and Huberman, 1994). To generate a relevant sampling frame from which to select case companies, we approached Scottish Enterprise (SE), Scotland's main public enterprise development agency. Following Stake's (1994) advice to choose cases that can help you learn the most, SE managers were asked to identify companies corresponding to the following criteria: 1) that had invested financial and/or time resources in leadership development;

2) that exhibited a strategically entrepreneurial attitude (Ireland et al., 2003); 3) that had demonstrated particularly interesting organizational performance and growth during their lifecycle. To mitigate bias issues arising from the tendency to research "hero enterprises" (Davidsson & Wiklund, 2007: 256), we were explicit that we did not wish to capture only success and leadership champions but also struggles, failures and coping strategies. Although this solution does not alleviate one of the most persistent biases in business research, the survival bias, which should be noted as one limitation in our method, the least it provides insight into facets of entrepreneurial leadership during stressful periods as well as into how entrepreneurial leadership could assist in dealing with struggles or failures. The intention to grow by taking a strategic approach to entrepreneurship, (Ireland et al., 2001) was an additional selection criterion which was a priori satisfied because all companies taken into consideration had surpassed the growth trajectory thresholds identified by Scottish Enterprise that enabled the firms to be account-managed. In addition, SE were requested to include firms from across the business life-cycle and a range of industry sectors. This generated an initial sampling frame of 21 companies, from which six case companies were theoretically selected based on previous conditions, for inclusion in this study. Finally, the companies' and researchers' availability was the very last condition affected the final constitution of our sample. Diagram 1summarizes the sampling process.

#### [INSERT DIAGRAM 1 ABOUT HERE]

In-depth, semi-structured interviews were conducted in two different cycles over a period of two years (2014-2016). The first cycle of interviews was conducted between June and December 2014, depending on interviewee availability, and covered questions regarding the past, present and future plans of the firm. The second cycle of interviews took place 18 months later, in the first quarter of 2016. While longitudinal studies in entrepreneurship research typically utilize a repeated interview design taken at intervals of 6 to 12 months (Eisenhardt, 1989; Van de Ven et al., 1989; Reynolds, 2000), this study required a longer time interval to investigate changes occurring in the progression of strategic plans described in the first interview cycle.

Three informants were interviewed for each case in the first cycle: the leader; a staff member holding a management position; and an external adviser (e.g. financial adviser, SE account manager, lawyer etc.). The perspectives of multiple individuals holding different roles, and therefore different perceptions, significantly improved data robustness. Multiple perspectives increase internal validity and avoid personal perception biases (Eisenhardt, 1989; Flick, 1992), especially when the interview protocol includes questions about past events, as multiple perspectives help mitigate issues of introspection and retrospection such as self-censoring and recall bias (Derbaix & Vanhamme, 2003; Harrison, 2015). During the second cycle of interviews, follow-up questions based on particular information of interest defined and triangulated during the first cycle were used in order to investigate continuity and change rather than explore new themes.

The thematic interview protocol included questions that required interviewees to create narratives of their experiences by reflecting on specific events and episodes they considered critical to opportunity exploration and exploitation (Flanagan, 1954; Chell, 1998; Chell, 2015). Flanagan's (1954) approach to critical incidents has been criticized for downplaying the importance of sequence, relationships and context (Chell, 1998; Edvardsson & Strandvik, 2000; Chell, 2015). To alleviate these concerns, the thematic interview protocol was designed to facilitate the identification of complex critical

episodes rather than discrete incidents (Cope & Watts, 2000). Contextual relationships related to the episodes were explored by asking questions about actions, perceptions, behaviors and circumstances related to the actors and the environment around the episodes identified (Edvardsson & Strandvik, 2000). To add a more process-based view of the phenomena, the dimension of time was added to help track influences of the present and future (Harrison, 2015).

This method enabled respondents to build narratives of opportunity exploration and exploitation episodes and leadership outcomes while linking them to different business life cycle trajectories. This allowed the researchers to follow up the same episodes and themes with different informants by using a dialogical approach when asking them to reflect on a specific incident or moment in time they had singled-out as important or interesting. In using critical incident approaches, the study acknowledges that individuals involved in any process are best positioned to recognize the criticality and importance of events, incidents and episodes and their causal, consequential and relational effects to outcomes. Respondents were encouraged to answer with minimum intervention and direction (Harrison, 2015), allowing them to determine themselves which incidents were the most relevant without biasing their opinions (Gabbott & Hogg, 1996).

#### 3.1 Data Analysis

Data were analyzed using the following steps. In the first step, interview transcripts were closely read and re-read, and material initially coded into critical episodes of leadership related to opportunity exploration / exploitation in line with the taxonomy suggested by March (1991). In the second step, chronological ordering of episodes was undertaken in order to build a timeline of events and categorization according to their

12

lifecycle phase. The third step entailed identifying and coding behaviors and leader competencies observable in the course of the episode. In the fourth step, patterns were investigated with regard to the behaviors and competencies of leaders that enhanced their pursuit of this strategic approach to entrepreneurship. Next, short narratives were created for each case to better contextualize the analysis (Alsos et al., 2014). Finally, tables were created presenting the key behavioral elements and the main behavioral patterns from analyzing the different dimensions of the phenomenon, with representative raw material attached to support analysis.

#### 4. Case Presentation

The six cases are briefly described below (see also Table 1).

## Case 1: The Web-Based Business Solutions Experts

This company, founded in 2001, was not the first company started by the owner. His first business, a small digital marketing company, was started to earn some living expenses while he was studying artificial intelligence at university. This venture did not end well, with close business partners defrauding the company leaving him with an "empty bank account...and a learnt lesson about legal [sic] and banks". Equipped with a laptop he soon embarked on a new venture, building it steadily by securing contracts from low-value clients unattractive to competitors, such as social enterprises and community groups. This strategy helped him gain market access and reputation, and led to large contracts with local authorities. The company continued its growth while becoming an award winner for innovation and design. The current business model is still based on providing bespoke web solutions to business leaders to start and grow their businesses, producing tailored software that guarantees significant results to

productivity. However, in-house knowledge spill-overs combined with the leader's innovative and ideas-generating mindset have led to a growth model through spin-outs and the creation of an in-house digital business incubator.

#### Case 2: The Water Industry Specialists

Founded in 1994, this company has expertise in drinking water maintenance. After 15 years working in the industry, the founder was able to act fast when he came across an opportunity at an international trade show. He invested his own capital to create a small but profitable venture. The first years were characterized by slow growth and, by the end of the sixth year, the company had just seven full-time employees. Nevertheless, this period also saw the development of a unique chemical cleaning formula, developed in-house and patented, which significantly increased their competitive advantage and fueled subsequent growth. Further product development resulted the unique cleaning product to be reinforced using robotic equipment, sparking a series of growth opportunities for the company. By 2003 the company had established a leading role in the UK market and started to explore opportunities overseas, creating a US sister company in 2008. The company completed a succession program when the founder's son, an experienced CEO in other companies, took over in 2011. Since then, the company has been involved in organizational change activities and vision reconfiguration by the new leadership to ensure a continuous and sustainable growth, capitalizing on the combination of their unique product and industry expertise in domestic and export markets.

14

#### Case 3: The Renewable Energy Consultants

Founded in 1996 by two passionate environmentalists spotting an opportunity arising from public investment in renewables, the company quickly established itself in the market, with growth fueled by industry dynamics and the absence of knowledgeable and experienced competitors. As competition increased substantially, the company retained its advantage by building reputation and investing in the appropriate expertise to expand offerings and deliver integrated services for their clients. Growing around 5% faster than the market, the company became the most significant player in the industry and an attractive investment opportunity. By 2000, the leaders were faced with the decision to either continue driving the company further or fight to maintain their market position by using existing resources. Their lack of personal investment capital combined with their vision of a market leading company led to the sale of the business to a larger group, with the founders retained as managing directors. After a series of changes in organization and leadership structure, the business is now led by one of the two founders. Despite being part of a large group, the company has continued to grow independently of its investors in the UK and with market presence in Europe and South America. Most recently, the leadership has undertaken a major re-organization and change project, the company now employs nearly 250 people and envisions a future in which the company will become a global leader in renewable energy consultancy services.

#### Case 4: The Digital Analytics Pioneers

This company was founded in 2006 by two experts in the field of digital analytics and marketing. As colleagues working in the banking sector they felt that digital analytics companies "never really delivered..." and decided to "set up something which would

actually deliver on promise". Leadership roles are divided, with one leading the company's product development while the other takes care of the business side of the enterprise. In 2009, an innovative tag management site spun-out of the company and was eventually acquired by the major US-competitor, creating one of the world largest companies of the field. The company preserved a strategic percentage of that venture and at the same time benefited from a significant influx of financial resources. In 2013, the business acquired a large loan from an investment company to expand another innovative digital service, which led to a major contract with a leading UK bank. Currently, two independent complementary businesses (a digital analytics marketing company, and an IT ad-web analytics training academy) are functioning under the same legal entity, in two different UK locations. Each venture is led principally by each of the founders, while decisions about the future of the umbrella organization are taken collectively. The company is valued as a rising competitor in the EU digital analytics market, acting as an incubator of new digital technology businesses either as attractors of potential investment for new ventures or by taking businesses for validation to the marketplace using their own clientele. Using a fluid, subject to continuous configuration, strategic visioning, the leaders are intent on creating an international boutique company that creates solutions in the ever-changing, digital landscape.

#### Case 5: The Waste Management Experts

This company dates from the late 1800s, and was still owned by the descendants of the founding family until the millennium. Throughout its existence it had gradually expanded and diversified from minor civil engineering projects into areas such as house building, leisure management, retail, and waste management, becoming one of the largest employers in the region. Family ownership ended in 2007, when the company

was sold to a major construction firm in a leveraged acquisition deal. The financial crisis of 2008 forced the new leadership to reconfigure the mission of the company and take difficult decisions in the face of both a shrinking market and tighter financial conditions. This critical phase resulted in significant downsizing of the original venture and, through continuous reconfiguration of the business, its re-development into an independent waste management business. The new waste management venture retained the powerful brand name, but the rest of its original business activities eventually ceased. The company is currently considered a leading player in the waste management market, providing comprehensive services in waste management, skip hire, composting and transforming waste to create renewable energy. The business model was reorganized on a circular economy model with a particular focus on economic, ecological and social sustainability. During the transformation period, the company undertook a major leadership development program which included action plans, succession planning and alternative styles of leadership.

#### Case 6: The Environmental Consultants

This company spun-out of a major technical university in 1995 as a non-profit organization led by an academic specialist. As the waste management market developed it became obvious that the non-profit model was unviable and the company reorganized to become a for-profit entity. Business growth was facilitated by investment from the leader of the company and an economic development agency. The financial crisis of 2008 impacted the construction industry which led to downsizing, but the leadership reacted fast by moving into renewables and the energy sector. The company has developed into a family business with the two sons of the founder-leader actively participating in the decision-making process. In 2011, the company completed their succession program when the founder stepped down as Managing Director, replaced by his son who trained in-house starting in a junior position at the start-up phase. Currently, the company is focused on targeted business development by providing high level expertise in four major areas: environmental impact assessment and permitting; ecological surveying and enhancement; water management and engineering; contaminated land & sediment assessment within the UK as well as in several European locations.

#### [INSERT TABLE 1 ABOUT HERE]

#### 5. Findings

Our findings confirm that individuals who assumed leadership roles were primarily acting as *role models* for their followers, demonstrating key behaviors recognized in prior research as characteristic of entrepreneurial leaders (Renko et al., 2015). These included demonstrations of innovativeness and creativity by new business ideas, products and services creation; envisioning bright futures for the business and being its evangelist through clear and effective communication; being strategic about how the company should achieve their vision; engaging personally in opportunity creation, exploration and exploitation activities; being passionate about their work and at the same time persistent and patient; demonstrating flexibility and the ability to adapt to change with ease; and finally, engagement in strategic accumulation and deployment of entrepreneurial resources. Secondly, leaders tried to actively *influence* their followers to engage in entrepreneurial behaviors using verbal and active motivation to empower and inspire. Finally, leaders engaged in setting appropriate strategies,

mechanisms and structures within the organization to *enable* the creation of an entrepreneurship culture and facilitate entrepreneurial activity. Table 2 summarizes these three behavioral dimensions (*role modelling, influencing, enabling*) and their key characteristics, illustrating these with representative examples describing incidents of opportunity discovery, exploration and exploitation within a temporal framework. Representative quotes were chosen to be included in table 3 on the bases of their power to demonstrate the key behavioral elements embedded in the three behavioral dimensions identified. It should be noted that the number of quotes per element does not imply that some of the elements were not identified in some cases. On the contrary, the behavioral dimensions and elements were identified across all six cases during the coding process.

#### [INSERT TABLE 2 ABOUT HERE]

#### 5.1 Entrepreneurial Leaders' Behavioral Patterns over the Business Life-cycle

In addition to observing behaviors and behavioral patterns at a cross-sectional level we created timelines of incidents described and triangulated by the interviewees during our interviews. Including incidents both from the past, which the three parties reflected on retrospectively, and more current incidents occurred during or between the two interview phases. This helped us to see the different behavioral patterns identified during the first level of coding presented in table 2 through chronological lenses as well. Analytically we found, *business idea conception and development* at pre-start-up and start-up to be characterized by episodes following opportunity creation or identification and exploration activities and the subsequent decision to enter the market via a new

venture. Entrepreneurial behaviour at this phase is unorganised and mostly guided by the entrepreneur's expectations or personal ambitions rather than a set of strategically identified objectives. For example, in Case 3 the two environmentalists created a consultancy company to pursue a contract opportunity without a start-up business plan. For Case 4, the initial decision to start their venture was driven by personal ambition to correct market insufficiencies; business planning activities occurred after start-up.

Business plan development activities follow the unorganised opportunity exploration phase and are dependent on personal resources or those that can be taken from their personal networks (Terjesen and Elam, 2009; Pret et al., 2016). The leader of Case 1, for example, after failing with his first new venture attempt, started again from scratch using only his expertise and prior experience of venture start-up. At this stage competitive advantages are taking shape and become the leverage for the envisioned future. For Case 1 the entrepreneur realised that in order to achieve market break-through, he needed to find potential customers who would trust him in spite of his lack of market precedence. Opportunity exploration using his personal connections found him clients ignored by competitors. The business plan was then developed around designing digital solutions for those clients to help them attract funding that would result in payment for the services the company was providing them. In Case 2, a staff member developed a new formula for water cleaning, an incident that secured a longterm competitive advantage and became the company's springboard to growth. External circumstances, such as rapid market growth and the combination of high level expertise in a field where experts did not yet exist became the major competitive advantage for Case 6 from the point when they established the business.

Gradually personal perceptions, ambitions and expectations are progressively transformed into a better-defined vision of the future for the business. Hence, the

20

entrepreneurial leadership behavioural patterns in the pre- and start-up phase can be summarised as an interplay of idea formation and opportunity exploration, followed by a decision to enter the market, resource accumulation and deployment, the identification of competitive advantage, followed by vision formation.

The inauguration of the *growth phase* is characterized by episodes related to growth of sales turnover as result of opportunity exploitation activities taking place at the start-up phase. A characteristic example comes from Case 1 where the leader devoted himself to exploring funding opportunities for non-profit organizations. The business growth phase for the company started when an opportunity exploitation with one organization led to a major contract with a City Council. Similarly, for Case 2, growth came after seven years of new product development. For Case 3, it was an external event (legislation reform) which caused an exponential increase of opportunities in the market.

At the early stages of the growth phase staff recruitment campaigns start taking place to correspond with growing demand. The entrepreneurial leaders were personally engaged in HR deployment activities and investing to acquire the "best" for the job. It is characteristic that entrepreneurial leaders were comfortable in recognizing personal skill deficiencies and strived to satisfy this gap by recruiting the appropriate people. Staff growth led to organizational structuring and procedures setting. Nevertheless, especially during the first stages of the growth phase, structures were characterized by fluidity. Case 3 engaged in three organizational re-structuring programs moving from a matrix organizational structure to linear and returning to matrix. For Case 4, designing a formal organizational chart was considered after seven years in the market, three in high-growth mode and following intervention activities from a public enterprise support agency. In Case 6, re-configuration activities took place to explore an arising opportunity.

A common pattern in entrepreneurial leaders' behavior at this stage was the establishment of formalized management practices. Rapid growth could cause significant changes and strain without having the appropriate marketing, production, finance and IT management procedures in place, as Case 4 experienced when they won their first major contract. Strategic planning activities and behaviors included formal 3 – 5-year business plans and periodic re-configuration; goal-setting coupled with planning and control systems to monitor progress and efficiency; key staff engagement in strategy planning; communication activities to make plans known to the rest of the staff; benchmarking against competition; covering training gaps; strategic resource accumulation and deployment; and targeted investment in product and services development.

Reaching progressively towards maturity state, episodes were identified related to the creation of an enabling environment for innovation and creativity. Entrepreneurial leaders focused on vision communication and staff empowerment activities, and leadership styles shifted towards shared or participative leadership from instructional and paternalistic leadership styles.

Several episodes exemplify behaviors driven by the philosophy of rewarding success, supporting difficulties and failure, sharing wealth with those who contribute to its accumulation while setting increasingly higher standards both for performance and conduct. Evolving from being a role model of innovativeness and creativity, at this stage leaders' behavior focuses on influencing and encouraging staff to embrace opportunity seeking behaviors as part of a growth strategy. Growth in turnover and

22

profits is central to vision content; however, the specific strategies to achieve this varied on the context, conditions, circumstances and outcomes of past decision making.

Episodes which demonstrate business maturity, decline and diversification were identified in three cases (#2, #5, #6) which, after reaching maturity, endured periods of decline and challenge. Our findings revealed that change followed by a strategic approach to entrepreneurship enabled them to diversify and return to growth. All three cases experienced downsizing for different reasons. In Case 2, overtrading in combination with the absence of a strategic plan to manage growth, led the new leader to downsize by one third to ensure sustainability, higher profit margins and stability. Another reason for this decision was the leader's personal need to re-structure based on his understanding of how the company should operate. To achieve this, the leader invested in his personal development, attending the MIT entrepreneurship development program. In Case 5, the company divested to concentrate on a smaller, more efficient business with potential for growth. In Case 6, downsizing was connected to the financial crisis in 2008 which coincided with leadership change; the company responded by deleting inefficient services, concentrating on developing the most profitable divisions, and implementing a succession plan. Episodes related to de-centralization of leadership; support-seeking by hiring staff to assist in strategy and vision reconfiguration; and establishing routines to facilitate strategy and vision communication to the company's staff, are distinctive during this phase.

Following the successful *implementation of the change* phase, a new growth phase can be identified with a recurrence of behaviors related to visioning, new business model development and strategic implementation. Episodes reveal a return to opportunity creation, exploration and exploitation to achieve newly envisioned growth and development. In Case 2, the new 3-year business model concentrated on increasing

23

the UK market share, investing in internationalization activities, new technologies and product development to maintain and develop further their competitive advantage. After completing all divestiture actions and radically re-configuring their business plan, the waste management experts (Case 5) had a new vision: growing the waste management business by investing in waste as commodity. Their new business plan included a £60m investment for an energy-from-waste plan and significant enterprise agency support to reach appropriate investment schemes. A new 5-year strategic business plan, including re-investment of profits in technology, training and staff rewards, marked a return to using entrepreneurship as a strategic approach towards growth and development.

#### 6. Discussion

Viewing entrepreneurial leadership as an organizational behavior, we identified key behaviors, behavioral patterns and behavioral dimensions of business leaders who have taken a strategic approach to entrepreneurship over the business life-cycle. We found entrepreneurial leaders' behaviors to be opportunistic, risky, advantage- and value-creating, innovative and creative. These behaviors have been identified in past research as common to the majority of entrepreneurs (Covin & Slevin, 1991; Renko et al., 2015). What differentiates entrepreneurial leadership behavior from what has been characterized as entrepreneurial behavior are the behavioral dimensions of influence, motivation and enabling that result in the creation of mutually beneficial relations between leaders and their followers.

The idea of conceptualizing entrepreneurship as a firm behavior, in which the company's strategic posture can be predicted by variables describing the construct of

strategy including mission, business practices and competitive tactics, was originally coined by Covin & Slevin (1991). Our study contributes to this research stream by including individual (leader) level behaviors in the model. Entrepreneurial leaders are responsible for influencing and empowering their followers to adopt entrepreneurial consciousness. Through their enabling behaviors, entrepreneurial leaders build a distinctive organizational system that provides the means for the development of entrepreneurialism on all organizational levels. Consequently, entrepreneurial leadership measured by performed behaviors of the individual may contribute in predicting entrepreneurial posture at the organizational level.

Examining episodes chronologically enabled us to review events in a dynamic framework and adopt a more processual view of episodes over the business life-cycle (Harrison, 2015). Our findings show a recurrence of certain type of episodes across the case companies. Opportunity-led activities were consistently encountered regardless of the developmental or growth phase of the business. Opportunity creation, exploration and exploitation were used by leaders as vehicles for realizing their ever-evolving vision of the business. Baron (2002) argued that organizations surpassing the start-up phase adopt the structures and functions of mature organizations and shift from the interest of the entrepreneurship subject domain to the organizational behavior domain. Our findings challenge this notion of disconnection between the two subject domains, and instead suggest that the two domains are affiliated by specific stages of firm development. Indeed, linking entrepreneurship to organizational behavior offers new transdisciplinary theoretical insights much desired by entrepreneurship scholars (Davidsson & Wiklund, 2007).

Visioning as a behavior was identified as the driving force for the leaders in every stage of the business lifecycle, whether its content was generic, such as creating a business or growing it, or specific and tangible such as increasing profit margins to a specified extent. However, the content of their visions evolved through time and developmental stages. These cases demonstrate that at the nascent entrepreneurship and early growth phases, visions mostly reflect leaders' volition and their personal wants, needs and perceptions. Progressively, visions extend to appeal not only to personal but also to collective desires, perceptions and values. The evolution of vision content was directly connected to the leader's shift of behavior from enacting entrepreneurial actions, i.e. leading by doing, to becoming an active influencer and enabler of entrepreneurism within the organization.

Finally, in these cases leaders demonstrated different entrepreneurial leadership engagement levels at different phases of the business life-cycle. Within the context of nascent entrepreneurship, leadership took place in the absence of operating procedures and organizational structure. At later stages, better-defined goals, structures, and work processes are in place and hence require different leadership behaviors. Thus, examining behavioral patterns holistically and through the temporal lens, the attentiveness to influencing and enabling behaviors as time progresses and the business develops, reflects well their behavioral transition from leading the emergence to leading variations of the process of emergence (Graphic 1 synopsizes the process).

#### [INSERT GRAPHIC 1 ABOUT HERE]

In other words, when considering lifecycle effects on leadership behaviors it is apparent that during the start-up phase founders of ventures inevitably lead. They are the idea generators, the risk-takers and the responsibility bearers. It is the absence of standardized operating and organizational structures and procedures to guide the process that characterizes the complexity of the new venture context. During the startup and early growth phases, instead of deciding in advance the direction of growth as well as the formal structures and systems needed to manage it, leaders create the necessary conditions for their staff to self-organize to help them achieve the wider vision. Entrepreneurial leadership becomes the key to new venture success because the training, mentoring, and development of staff to act entrepreneurially comes chronologically much later when organizational structures, formal management processes and procedures are in place and functioning. Thus, compared with the later stages of growth, maturity and beyond when goals are well-defined, strategies are designed, and a work culture is in place to frame the process, during the start-up phase attention is concentrated on the founder and their initiatives.

#### 7. Conclusions

Entrepreneurial leadership behaviors can facilitate one of the most important challenges for future success; that is, to cope with the critical transitions from leading by doing, to leading staff, and from leading staff to leading managers. Understanding the behavioral requirements required in each stage of the firm's life cycle is necessary for business growth and development. Responding to Renko's et al. (2015) call for theoretical insights on the phenomenon of entrepreneurial leadership, our study shows that entrepreneurial leaders transit from influencing (leading by doing, motivation and empowerment) to enabling behaviors (building and maintaining cultural norms) as they move from the pre-organizational to the organizational phase of the business life-cycle. These findings help unravel the role of individual-level behaviour on the organization and contribute to the development of cross-level models of entrepreneurial performance.

#### References

- Alsos, G.A., Carter, S. and Ljunggren, E. (2014), "Kinship and business: How entrepreneurial households facilitate business growth", *Entrepreneurship & Regional Development*, 26(1-2), p 97-122.
- Alvarez, S.A. and Barney, J.B. (2007), "Discovery and creation: Alternative theories of entrepreneurial action", *Strategic Entrepreneurship Journal*, 1, p 11–26.
- Baron, R.A. (2002), "OB and entrepreneurship: The reciprocal benefits of closer conceptual links", *Research in Organizational Behavior*, 24, p 225-269.
- Chell, E. (1998), "Critical incident technique". In: G. Symon and C. Cassell (Eds.), *Qualitative Methods and Analysis in Organizational Research*, London: Sage, p 51-72.
- Chell, E. (2015), "Researching the entrepreneurial process using the critical incident technique". In: H. Neergaard and C. Leitch (Eds.), *Handbook of Qualitative Research Techniques and Analysis in Entrepreneurship*, Cheltenham, UK: Edward Elgar, p 199-223.
- Cogliser, C.C. and Brigman, K.H. (2004), "The intersection of leadership and entrepreneurship: Mutual lessons to be learned", *The Leadership Quarterly*, 15, p 771-799.
- Conger, J.A., (1989), *The Charismatic Leader: Beyond the Mystique of Exceptional Leadership*, San Francisco: Jossey-Bass.
- Cope, J. and Watts, G. (2000), "Learning by doing: An exploration of experience, critical incidents and reflection in entrepreneurial learning", *International Journal of Entrepreneurial Behaviour and Research*, 6(3), p 104-124.
- Covin, J.G. and Slevin, D.P. (1991), "A conceptual model of entrepreneurship as firm behavior", *Entrepreneurship Theory and Practice*, 16(1), p 7-25.
- Covin, J.G. and Slevin, D.P. (2002), "The entrepreneurial imperatives of strategic leadership", In: M.A. Hitt, R.D. Ireland, S.M. Camp and D.L. Sexton (Eds.), *Strategic Entrepreneurship: Creating a New Mindset*, Oxford: Blackwell Publishers, p 309–327.
- Davidsson, P. and Wiklund, J. (2007), "Levels of analysis in entrepreneurship research: Current research practice and suggestions for the future". In: Á. Cuervo, D. Ribeiro and S. Roig (Eds.), *Entrepreneurship: Concepts, Theory and Perspective*, Berlin: Springer, p 245-265.
- Derbaix, C. and Vanhamme, J. (2003), "Inducing word-of-mouth by eliciting surprise-a pilot investigation", *Journal of Economic Psychology*, 24(1), p 99-116.
- Edvardsson, B. and Strandvik, T. (2000), "Is a critical incident critical for a customer relationship?" *Managing Service Quality: An International Journal*, 10(2), p 82–91.
- Eisenhardt, K.M. (1989), "Building theories from case study research", Academy of Management Review, 14(4), p 532-555.
- Ensley, M.D., Pearson, A. and Pearce, C.L. (2003), "Top management team process, shared leadership, and new venture performance: A theoretical model and research agenda", *Human Resource Management Review* 13(2), p 329–346.
- Fernald, L.W. Jr., Solomon, G.T. and Tarabishy, A. (2005), "A new paradigm: Entrepreneurial Leadership", *Southern Business Review*, 30(2), p 1-10.
- Flanagan, J.C. (1954), "The critical incident technique", *Psychological Bulletin*, 51(4), p 327–358.
- Flick, U. (1992), "Triangulation revisited: Strategy of or alternative to validation of qualitative data", *Journal for the Theory of Social Behaviour*, 22, p 175-197.
- Foss, N. (2007), "Scientific progress in strategic management: The case of the resource-based view", *International Journal of Learning and Intellectual Capital*, 4(1/2), p 29-46.

- Gabbott, M. and Hogg, G. (1996), "The glory of stories: Using critical incidents to understand service evaluation in the primary healthcare context", *Journal of Marketing Management*, 12(6), p 493-503.
- Gartner, W.B. (1988), "Who is an entrepreneur? Is the wrong question", *American Journal of Small Business*, 12(4), p 11-32.
- Gartner, W.B., Bird, B.J. and Starr, J. (1992), "Acting as if: Differentiating entrepreneurial from organizational behaviour", *Entrepreneurship Theory and Practice*, 16(3), p 13-32.
- Gupta, V., MacMillan, I.C. and Surie, G. (2004), "Entrepreneurial leadership: Developing and measuring a cross-cultural construct", *Journal of Business Venturing*, 19, p 241-260.
- Harrison, C., Paul, S. and Burnard, K, (2016), "Entrepreneurial leadership: A systematic literature review", *International Review of Entrepreneurship*, 14(2), p 235-264.
- Harrison, R. (2015), "A critical incident technique approach to entrepreneurship research using phenomenological explicative data collection", In: H. Neergaard and C. Leitch (Eds.), *Handbook of Qualitative Research Techniques and Analysis in Entrepreneurship*, Cheltenham, UK: Edward Elgar, p 251-268.
- Hills, G.E., Lumpkin, G.T. and Singh, R. (1997), "Opportunity recognition: Perceptions and behaviors of entrepreneurs", In: *Frontiers of Entrepreneurship Research* (Vol. 17), Wellesley, MA: Babson College, p 168-182.
- Hindle, K. (2004), "Choosing qualitative methods for entrepreneurial cognition research: A canonical development approach", *Entrepreneurship Theory and Practice* 28, p 575-607.
- Ireland, R.D., Hitt, M.A., Camp, S.M. and Sexton, D.L. (2001), "Integrating entrepreneurship and strategic management action to create firm wealth", *Academy of Management Executive*, 15(1), p 49–63.
- Ireland, R.D., Hitt, M.A. and Sirmon, D.G., (2003), "A model of strategic entrepreneurship: The construct and its dimensions", *Journal of Management* 29, p 963-989.
- Ireland, R.D., Covin, J.G. and Kuratko, D.F. (2009), "Conceptualizing corporate entrepreneurship strategy", *Entrepreneurship Theory and Practice*, 33(1), p 19–46.
- Long, W. and McMullan W.E. (1984), "Mapping the new venture opportunity identification process" In: *Frontiers of Entrepreneurship Research*, Wellesley, MA: Babson College.
- March, J.G., (1991), "Exploration and exploitation in organizational learning", *Organization Science*, 2(1), p 71-87.
- McGrath, R.M. and MacMillan, I.C. (2000), *The Entrepreneurial Mindset*, Boston, MA: Harvard Business School Press.
- Miles, M.B. and Huberman, A.M. (1994), *Qualitative Data Analysis* (2nd edition), Thousand Oaks, CA: Sage Publications.
- Mosakowski, E. (1998), "Entrepreneurial resources, organizational choices, and competitive outcomes", *Organization Science* 9(6), p 625–643.
- Parker, S.C. (2011), "Intrapreneurship or entrepreneurship?", *Journal of Business Venturing*, 26(1), p 19-34.
- Pret, T., Shaw, E. and Drakopoulou Dodd, S. (2016), "Painting the full picture: The conversion of economic, cultural, social and symbolic capital", *International Small Business Journal*, 34(8), 1004-1027.
- Renko, M., El Tarabishy, A., Carsrud, A.L. and Brännback, M. (2015), "Understanding and measuring entrepreneurial leadership style", *Journal of Small Business Management*, 53(1), p 54-74.
- Reynolds, P.D. (2000), "National panel study of U. S. business startups: Background and methodology". In J.A. Katz (Ed.), *Advances in Entrepreneurship, Firm Emergence,* and Growth (Vol. 4), Stamford, CT: JAI Press, p 153-227.

- Roomi, M.A. and Harrison, P. (2011) "Entrepreneurial leadership: What is it and how should it be taught?" *International Review of Entrepreneurship*, 9(3), p 183-226.
- Ruvio, A., Rosenblatt, Z. and Hertz-Lazarowitz, R. (2010), "Entrepreneurial leadership vision in nonprofit vs. for-profit organizations", *The Leadership Quarterly* 21(1), p 144-158.
- Shane, S. and Venkataraman, S. (2000), "The promise of entrepreneurship as a field of research", *The Academy of Management Review* 25(1), p 217-226.
- Stake, R.E. (1994), "Identification of the case". In: N.K. Denzin and Y.S. Lincoln (Eds.), *Handbook of Qualitative Research*, Thousand Oaks, CA: Sage, p 236-247.
- Terjesen, S. and Elam, A. (2009), "Transnational entrepreneurs' venture internationalization strategies: A practice theory approach", *Entrepreneurship Theory and Practice*, 33: p 1093–1120.
- Timmons, J.A., Spinelli, S. and Tan, Y. (1994), New Venture Creation: Entrepreneurship for the 21st Century (Vol. 4), Burr Ridge, IL: Irwin Press.
- Thornberry, N. (2006), *Lead Like an Entrepreneur: Keeping the Entrepreneurial Spirit Alive within the Corporation*, Fairfield, PA: McGraw Hill.
- Van de Ven, A.H., Angle, H.L. and Poole, M.S. (1989), *Research on the Management of Innovation*, New York: Harper and Row.
- Weick, K.E. (1979), The Social Psychology of Organizing (Vol. 2), New York: Random House.
- Welter, F. (2011), "Contextualizing entrepreneurship—conceptual challenges and ways forward", *Entrepreneurship Theory and Practice*, 35(1), p 165-184.
- Yukl, G. (2006), *Leadership in Organizations* (Vol. 6), Upper Saddle River, NJ: Pearson Prentice Hall.

# **Diagram 1: Sampling Process**

Phase 1: Setting of theoretical conditions based on literature review

Phase 2: Approaching Scottish Enterprise (total number of companies in client database 2252)

**Phase 3**: Criteria passed to account managers (sectoral business advisors - a single point of contact who provides/coordinates one-to-one support, advice and guidance to (a) strategic contact(s) within the supported by the SE company)

Phase 4: Exclusion of companies who had participated in any research/ feedback program during the last 6 months (SE internal rule to avoid survey fatigue). This condition reduced the sample to 598 companies. Next, account managers used the set conditions to reduce sample size. First selection company leaders were contacted by SE to introduce them the research program and discuss their willingness and availability to participate

**Phase 5**: SE delivers a list of 21 account managed companies to the researchers with contact details and short description of each company including information about size, age, major recent or planned developmental strategies, characteristic incidents that would be of interest

**Phase 6**: Researchers engaged in additional secondary data selection (via internet) and combining the information provided by the SE and desk-research findings, another theoretical screening was conducted. This process resulted in the exclusion of 5 companies due to issues concerning size, too recent changes in leadership structure etc.

Phase 7: 16 companies were contacted, of which 6 were willing and available to participate under the conditions set and within the researchers' time framework. During initial contact with all 16 companies the researchers requested to interview 3 members of the organisation: the leader, a high-level manager and an external to the organisation member who would still have a very informed opinion in regard to the business leadership and its general function (e.g. business consultants, lawyers, non-executive board members etc.) –

# Table 1: Summary of Cases

Case	Industry Activities	Size: Turnover employees 3-year average T/O growth (2013 - 2015)	Informants
Case 1: The Web-based Business Solutions Experts	IT consultancy-software engineering (Intelligent Back Office Systems, Website and Mobile apps development, Online Marketing, Ecommerce)	£1.4m 20 employees 27.05%	Founder/ Main owner and Managing Director Operations Director External Growth Advisor: Enterprise Development Agency Account Manager
Case 2: The Water Industry Specialists	Water Industry Specialist (Repairs, Cleaning and Inspection of Water Tanks and Pipelines)	£3m 35 employees 3.05%	Chief executive Operations Manager Non-executive director
Case 3: The Renewable Energy Consultants	Renewable energy consultancy (Planning & Development, Ecology & Hydrology, Wind Technical, Construction & Geotechnical, Asset Management, Due Diligence)	£15m 310 employees 39.79%	Founder/ Managing Director/ Ex-Owner Director of Due Diligence External Advisor: Lawyer Leading Individual: Energy & Natural Resources
Case 4: The Digital Analytics Pioneers	Online marketing agency (Data Driven Analytics, Analytics Health-check, Multi-channel Attribution Modelling, Full-service Analytics Management)	£1.7m 19 employees 1.92%	Founder/Director Head of Digital External Growth Advisor: Enterprise Development Agency Account Manager
Case 5: The Waste Management Experts	Waste management (Waste Management, Skip Hire, Composting Energy from Waste)	£20.2m 50 employees 5%	Managing Director Commercial Director 2 External Growth Advisors: Enterprise Development Agency Account Manager
Case 6: The Environmental Consultants	Environmental engineering consultants (Environmental Impact Assessment & Permitting, Ecological Surveying & Enhancement, Water Management & Engineering, Contaminated Land & Sediment Assessment)	£3.2m 39 employees 8.37%	Managing Director PA to Managing Director External Growth Advisor: Enterprise Development Agency Account Manager

# Table 2: Behavioral Dimensions of Entrepreneurial Leadership

Themes	Key Behavioral Elements (Categories in bold/ Sub-categories in non-bold)	Representative Raw Material
Role Model	Innovation & creativity	
Behaviors	New business ideas conception/ creation	'I had an idea in my head, I have a black book at home of lots of business ideasSo,I sat down with the team and said guys here's the set that we're in, how can we create a set of technology that nobody else has and is better than anybody else's' (case 1 Leader, 2014)
	New products or services creation	'(Name of Leader) typically drives the technical innovations. He has seeded the original ideas for a lot of the software product and developed them, often pretty much himself with a team around him.' (case 4 Head of Digital, 2014)

Visioning and Vision Communication	
Bright future image of the business in spite of current difficulties or impedes.	'Because we went from a thousand people to four hundred in a space of seven years so it's also retaining the trust of the people that remain, and the respect of the people that you have to let go. And that is very much in the process as to how you achieve that, which brings you back to communication' (case 5 Leader, 2014)
Engagement of staff in envisioning achievement	'If (leader's name) has any ideas he may not have fully formulated he would still bring it to the team to find out if there's any major objections or issues with it. I think at the end of the day he realises that nothing gets done unless he gets the team involved' (case 1 Operations Manager, 2014)
Inspiration of staff, clarification activities and focus on targets	'The vision, the taking the risk, the research, the seeing the great idea and where it might take, (the founder's/leader's name) is definitely the leader in that respect.' (case 1 Operations Manager, 2014)
Ensuring commitment to the vision by communicating to the followers why it matters	'So, what I'm trying to do is make sure that everybody understands that within the company as we are, they can get a lot of what they want for themselves. And if they're doing that for themselves and it's digital then that should help us as a business move forward.' (case 4 Leader, 2014)
Opportunity Creation/Exploration/Exploitation	
Market opportunities creation, identification and questing	'And then 2009/2010 we span out a technology business called (name of business) which was about seeing and recognising an opportunity in the marketplace, building a product to meet that opportunity. And we sold that to an American competitor in 2012.' (case 4 Leader, 2014)
Investment in R&D	'He could quite clearly see (the father) that the market was driving the opportunity to have a business. He set up a not-for-profit business in the first year Then I think quite quickly realised

Exploitation of personal and/or business networks, reputation or prestige	<ul> <li>that not-for-profit wasn't maybe the right model and that there was probably some money to be made in this as well at that point.' (case 6 Leader,2014)</li> <li>'Innovation, we're at the very early stages of exploring an innovation support grantthey have identified a mechanism, an automated process that exists elsewhere in the construction industry that they feel they can adaptOne other they have developed in house a proprietary software I believe, there could be a market for licensing the software to other sectors' (SE account manager case 5, 2014)</li> <li>'Everything was moving pretty fast. More work was coming into the business than we could possibly handle. A lot of it through my father. Again, his reputation was out there.' (case 6 Leader, 2014)</li> </ul>
Passion	
Expression of a genuine love for work and enterprising	<ul><li>'As I say, the biggest resource and the reason we're all still here, is we all had that shared vision and the enthusiasm and passion to deliver it We're all pretty motivated to succeed in different waysme, (name of one founder) and (name of second founder). That was the team that made it happen.' (case 4 Head of Digital, 2014)</li><li>'I think that we were very fortunate that it was not just any old company because everybody who</li></ul>
	had joined the company had joined for environmental reasons not just for a career/monetary based. We had a very passionate staff' (case 3 Leader, 2014)
Risk Taking	
Investment of personal capital	'(leader's name) would take on a lot of the stress and would be the one with the sleepless nights, and trying to sort out access to finance. His house was the guarantee on loans. Things that are very stressful, and a very personal resource' (case 4 Head of Digital, 2014)

Relying on cash flow Putting trust and investment in ideas Taking loans	<ul> <li>'We grew with, "If we lose any contract, we're bust." It was that kind of risk.' (case 4 Head of Digital, 2014)</li> <li>'I had one particular idea that I wanted to try out so I put aside some money and said well let's go and do that. We'll spin it out, we'll turn it into its own little company and we'll see how that works' (case 1 Leader, 2014)</li> <li>'so, the next level we would be looking at is low interest loans, because you can extend the payments for a long period of time, and you don't have to give away equity or anything like that to gain it.' (case 2 Leader, 2014)</li> </ul>
Strategic Organizational (re) designing activities	'The next significant event is when I restructured the senior management team I moved a managing director, became a managing officer and I took on the full leadership role which I had shared with him before, because he had that role when I arrived. But I moved him to a technical role and moved in to a full leadership role myself. Our sales director had been sales and operations and I took the operational side away from him and I made him purely sales. And our finance director became a finance controller and I recruited a new finance director.' (case 2 Leader, 2014)
Strategic Business Planning Opportunity Exploitation	'Well, it's really transforming the business to one that sees waste as a commodityLike you can have organic waste as a growth strategy which is to do with green waste You are collecting it, and treating it, and processing it, but then you are trying to turn it into a product. And then you are looking to develop value in the product, so you are trying to drive value on both sides, so that's one end. Or on residual where you are looking at the lowest cost treatment method that results in a bin recovered or recycled, which in our case is probably looking at energy from waste' (case 5 Leader, 2014)

Internationalisation Activities Responsibility Distribution Access to external consultants, strategists	<ul> <li>'we have introduced a new product from America through us becoming the UK distributor for some water purification technology that doesn't exist in the UK again, we haven't a huge market share just yet, but it's looking promising (case 2 Leader, 2015)</li> <li>'In about 2003 they discovered the opportunity from outside the U.K. to introduce the underwater robots to the U.K. water market. And they were the first company to bring these robots from Sweden and convince the U.K. companies' (case 2 Leader, 2014)</li> <li>'Often, I might be the final decision maker, but I try to get everyone involved in the discussion, get all the view points and try as much as I can to delegate responsibility for some areas where decisions can be made in certain areas, without necessarily my involvement.' (case 2 leader, 2014)</li> <li>'I think probably speaking to somebody who is 10 years down the line from where I am now, who has learned a lot of the lessons that I've learned the point is that I don't know it all and there are people out there that can offer help.' (case 4 Leader, 2014)</li> </ul>
Persistence & Patience	'But that belligerence, that ability to just keep going, just keep pushing throughignore the kind of doom and gloom scenario and focus on the fact that you can improve things That I think has been one of the most critical parts of this business over the last 18 months.' (case 4 Leader, 2014)
Flexibility, Adapting to change	'providing you can keep an open mind, providing you can have the confidence to take a decision when you need to and get everyone on board with that idea, and get it moving the right way, then you shouldn't worry about change. Quite often some of the best things that have happened to (name of company) over the years have actually come about through changes that we didn't predict or plan for.' (case 6 Leader, 2014)
Strategic Accumulation and Deployment of Entrepreneurial Resources	

(HR, Economic, Social, Symbolic) Strategic Hiring & HR strategic management	'He's got a good young management around him the Commercial Director, is new. He's starting to make his mark on the business. (Name of the MD) was looking to build up his leadership team so that he could delegate more because when he came in it was very much a silo business.' (case 5 SE account manager, 2014)
Funding attraction & management	'Money was important and it took a lot of personal persuasion to get investment and that we did That was massively important.' (case 4 Leader, 2014)
Alliances/ networks formation & management	'We have formed two strategic alliances with third party specialist companies, one a company that specialises in drive train analysis, and another company that's a solar specialist.' (case 3 Leader, 2015)
Reputation, brand building, accreditation etc.	'I think I would prefer to see us having a reputation such as we do, which is a good reputation, a lot of repeat business, happy clients, happy staff, and people that like working togetherwe have an ISO9001 and 14001, and we're going for an 18001, so we do benchmark our business against external settings' (case 6 Leader, 2014)
Motivating & Empowering Followers           Moral, monetary & in-kind reward or capabilities & contribution	'we have within the culture of the ownership and the business we have a sharing concept. Like I mean the profits are there, but the profits are not just the owners, we do share them aboutbut I wouldn't see the fact that we share the success of the business as being a prime motivational force Because the motivational force is that they need to enjoy it, they need to feel that they are achieving' (case 5 Leader, 2014)
Self-Development encouragement	'We also had to make sure that we had a healthy training budget, because one thing that we recognise was to encourage people to step out of the shadows and be strong independent leaders in their own right. But as part of that developing confidence and moving forward they

Influencing Behaviors	Responsibility sharing	<ul> <li>will also say, you know, maybe I don't have quite all the skills that I need, so maybe I can do some more training.' (case 6 Leader, 2015)</li> <li>'my leadership vision I guess, I tried to spread the responsibility for decision making and give as much delegated authority as I can to different members of the team. So it's not held to the choke point with one person' (case 2 Leader, 2014)</li> </ul>
	Innovativeness & Creativity Encouragement Verbal and active encouragement to think and act in an innovative and	'there is a constant process of people being encouraged to look at the landscape, to look at the horizons, to understand the market, and adjust what they are doing day to day, that's one thing. Secondly, we absolutely encourage innovation at all levels of staff, but crucially what we have is
creative		processes to capture that. So, if somebody has a new idea for a product, or a market, or a service, or whatever, we have process in place, we have a framework for that, we have working groups and committees that will process these things quickly but in a controlled manner.' (case 3 Head of Due Diligence, 2014)
	Provide challenge to achieve higher targets	'I introduced this thing which is called a transition map so you start with your management teamall in a room and say 'OK where are we? And they defineNot meYou then get them to define what the vision is and obviously you have to push because most people are not as ambitious as someone like myself. So, you help them define a more ambitious target. Then you definethe things that need to happen to enable thatYou create it as a single page which then everybody takes ownership over, so they're all responsible every month for looking at it and saying out of the things that we said we were going to do' (case 1 Leader, 2014)
	Praising initiative	'Im looking for people to be open and comfortable coming forward with ideas and challenging me with those ideas So I've been trying to be more open and to try and encourage peopleand try to promote that idea a little bit more than I used to' (case 2 Leader, 2015)

	Praising effort and allow failure	"we're seeing project managers being much stronger. Even some more if you like junior positions where people are confident enough to say, you know, my project needs your time so come and look at it or talk to me about it. Or it's not going well, I need some help. So, yeah, we're seeing the benefit of more confident people being willing to think for themselves and not waiting to be told what to do.' (case 6 Leader, 2015)
	Innovativeness & Creativity Enabling Investment in R&D	'We have developed a piece of software that aid our clients in the management of their sites. So, we've got a major new productthat's been really the best part of two years in developmenta game changer in the way people run their operational assets.' (case 3 Leader, 2015)
Enabling Behaviors	Creation of paths for raising & testing ideas	'My role is there to build the right teams to deliver the services, to keep pace with the fast- changing industry and develop the way that our services are delivered. (Leader's name) role is very much to provide the framework to do thatto make sure that the finance, and the growth, and the external support, and a lot of the relationships with our key clients enable that to continue (Founders' names) are both open to good ideas from anyone in the business. If anyone has input, it's listened to. So, they will shape how their vision for the business looks, based on those around them, which is really good.' (case 4 Head of Digital,2014)
	Opportunity creation/ exploration/ exploitation enabling	
	Space equipment & organizational practices to enable process	'What I probably have added to that, is refining the resources around that. Mainly the people, and the systems and processes that we use to operate as an effective team.' (case 2 Leader, 2014)
		"when I setup the company myself, I thought I want to run this slightly differently, I want to have a company that does recognise people for what they do, and does reward people accordingly.

Passion cultivation tailored to individe wants training an	dual's needs and whatever	b take people and say, 'you're not just this type of person you can actually become by you want to become and try and help people develop'. So that was really one of the pons.' (case 1 Leader, 2014)
Recognition of le development as a	eadership programs an ongoing practice we have programs	wice yearly personal developmentwe are increasingly adding a wide range of training sthen emerging leaders for the next generation of leaders coming through the company indeed just done a list of our fast track rising stars those people are in fast track s to develop them through the company and part of the big restructure of the company so could see career paths through the company for every single member of staff.' (case 3 2014)
Enabling ada	ptation to change	
Application of ch practices to help embrace change	staff to expect and themselv it makes consideri	the to feel that they are part of the change, or they are the changeto see a benefit for res that is not necessarily about money it makes it easier for them to do their job easier for them to get rewards out of the job you can't achieve change without ing benefit for the people on the whole a lot of change fails because people try to drive in without considering benefit for the people involved' (case 5 leader, 2014)

Graphic 1: Entrepreneurial Leadership Evolution in the business life-cycle

