

Entrepreneurial Leadership: Developing and Measuring a Cross-Cultural Construct

Original publication by Vipin Gupta, Ian C. MacMillan and Gita Surie

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Thinking like an entrepreneur no longer just refers to people assuming risks in order to implement a new business plan. The mindset is now a strategy of renewal within existing organizations. This "entrepreneurial leadership" requires three key dimensions: (1) being inclined to take more business-related risks; (2) favoring change and innovation to obtain competitive advantage; and (3) competing aggressively with other firms. Vipin Gupta, Ian C. MacMillan, and Gita Surie explore these issues in "Entrepreneurial leadership: developing and measuring a cross-cultural construct."

Entrepreneurial leadership is given a new, integrative definition as, "leadership that creates visionary scenarios that are used to assemble and mobilize a 'supporting cast' of participants who become committed by the vision to the discovery and exploitation of strategic value creation." This role necessitates an entrepreneurial approach to decision-making to improve performance, adaptability, and long-term potential, particularly in highly competitive and invariably changing business environments. The leader builds a "superordinate" goal that drives all employees to higher levels of achievement and inventive organizational strategies.

A big challenge is to increase the capacity for adaptation while considering the organization's resource limitations. "This must be done," the authors contend, "in the face of conservative and risk-averse attitudes stemming from followers' lack of confidence in the gains from innovation in uncertain environments."

The authors analyzed data from the cross-cultural GLOBE survey, in which the effectiveness of certain leadership attributes were measured. Data was compiled from 1995-97 from over 15,000 middle managers in 62 societies worldwide. Gupta, MacMillan, and Surie found that while characteristics of entrepreneurship are endorsed across many cultures, there are societal differences in the perception of its effectiveness.

The article compares and contrasts attitudes with three styles frequently discussed in literature of the field: *neocharismatic/transformational*, *team-oriented*, and *value-based*. As a result, the authors proposed five requirements (p. 246) of the effective entrepreneurial leader:

1. extract exceptional commitment and effort from organizational stakeholders,
2. convince them that they can accomplish goals,
3. articulate a compelling organizational vision,
4. promise their efforts will lead to extraordinary outcomes, and

5. persevere in the face of environmental change.

The authors draft ideas about the role of this new type of leader, namely that they must "balance the desire for aggressive improvement with a pragmatic understanding of the capabilities of the individuals that will be involved in realizing the transformation."

In order to support this type of strategy, there must be effective communication of the overriding vision, systems in place for rapid product design and development, and enough resources (including human expertise) available for new efforts. In addition, leaders must facilitate participative decision-making, transparent communications, and empowerment of employees at all levels to generate their own new ideas. These are the central functions for leadership in order to identify emerging opportunities and capitalize on them.