

Entrepreneurial leadership: trigger or obstacle for employees' organizational commitment?

Svenja Gerdes
Witbreuksweg 397-116
7522 ZA Enschede
The Netherlands
s.gerdes@student.utwente.nl

A highly competitive and fast changing environment is a challenge that many organizations have to face often requiring an entrepreneurial leadership. However, in order to have an effective work-performance, entrepreneurial leaders need to gain employees' organizational commitment. Therefore, the present research investigates the effect on entrepreneurial leadership on employees' organizational commitment and suitable approaches that leaders should follow creating a positive effect. Relevant academic literature is reviewed to explore the main entrepreneurial attitudes that an entrepreneurial leader wants to encourage in employees. Further, a qualitative research in form of interviews is conducted with 75 people in a leading position in order to investigate suitable approaches for gaining employees' organizational commitment. Findings indicate that the effect depends on two different levels, the leader and employee level; the leader can moderate the effect by incorporating different approaches. However those moderating approaches are limited as the employees' individual character antecedes entrepreneurial attitudes which make each employee perceive entrepreneurial leadership differently. The moderated effect of entrepreneurial leadership on employees' organizational commitment is explained in the proposed ELEC model. It is concluded that entrepreneurial leaders obtain the best effect when providing support, transparency, trust, spirit and a no-blame-culture and no force.

Supervisors: M.L. Ehrenhard and R. Singaram

Keywords

Entrepreneurial leadership, organizational commitment, entrepreneurial attitudes, leadership approach, moderating factors, employees' character

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1. INTRODUCTION

With an increasing competitive and fast changing environment, organizations need to incorporate a more entrepreneurial leadership style (Gupta, MacMillan, & Surie, 2004) which is positively associated with the probability of high organizational growth (Sadler-Smith, Hampson, Chaston, & Badger, 2003). However, not every organization is conducive for entrepreneurship due to their culture, therefore entrepreneurial leaders need to be capable of reorienting individuals towards a more entrepreneurial mindset (Mueller & Thomas, 2001). As pointed out in the study of Wang, Tee and Ahmed (2012) entrepreneurial leaders should influence the values of employees and the organizational culture towards a higher entrepreneurial attitude, meaning that factors like autonomy, innovativeness, risk taking, proactivity and competitive aggressiveness should be encouraged (Lumpkin & Dess, 1996). One critical factor for strong entrepreneurial leadership is to gain employees' organizational commitment (EOC) leading to a more effective work performance (Gupta et al., 2004). Without commitment of employees, leaders can lose their power and legitimacy in an organization (Surie & Ashley, 2008). Next to the particular importance for the leader, organizational commitment can not only lead to favorable organizational (organizational citizenship, employee turnover, performance) and employee outcome (less stress, well-being) (Meyer, Stanley, Herscovitch, & Topolnysky, 2002) but also directly supports collective entrepreneurship (Akehurst, Comeche, & Galindo, 2009; Comeche & Loras, 2010). However, little research is done about the influence of the entrepreneurial attitudes on EOC, although scholars advise further research on the impact of entrepreneurial competencies of behavior and performance (e.g. De Clercq & Rius, 2007; Lumpkin & Dess, 1996; Sadler-Smith et al., 2003). De Clercq and Rius (2007) indicate that many researchers investigated the benefits of entrepreneurial orientation within organizations, but only a few tested empirically the consequences for employees' feeling and activities. His study suggests a positive impact of an entrepreneurial orientation on organizational commitment, however it is only based on the Mexican population and therefore he recommends further and more detailed research in this area (De Clercq & Rius, 2007). In the light of this, this research paper aims on the one hand to contribute and add to the existing research. On the other it provides leaders with a deeper insight on employees' perception by identifying the different entrepreneurial attitudes and analyzing their impact on EOC as well as providing suitable approaches fostering a positive effect. Consequently this study strives to answer the following research question:

How does entrepreneurial leadership influences employees' organizational commitment?

In order to answer this research question, firstly academic literature over entrepreneurial leadership, entrepreneurial attitudes and organizational commitment will be reviewed. Secondly, the relation between entrepreneurial attitudes and organizational commitment will be explored and suitable leadership approaches will be examined. Subsequently the results of the literature review will be compared with the empirical findings in the discussion. Furthermore, limitations and recommendations for future research will be presented, ending with a comprehensive conclusion.

2. THEORY

2.1 What is Entrepreneurial Leadership?

In current academic literature is no widely accepted definition of entrepreneurial leadership since there is no common consensus on the development and the impact of this leadership style. Therefore this study will focus on the main aspects that are relevant for this research.

The basic tasks of an entrepreneurial leader are to assess the possibilities, create new opportunities, manage the resources and to incorporate changes. Looking at the first two tasks, many scholars agree that entrepreneurial leadership focuses on the identification and creation of new opportunities in an innovative way (e.g. Bagheri, Pihie, & Krauss, 2013; Cunningham & Lischeron, 1991; Strubler & Redekop, 2010; Wang, Tee, & Ahmed, 2012). Therefore an entrepreneurial leader should follow a discovery-driven approach which requires taking uncertainty and analyzing problematic limits in order to frame the challenge and to facilitate opportunity seeking employees (Gupta et al., 2004). However, to find new opportunities, one has to challenge the organizational status quo (Bagheri & Pihie, 2010) and take some risks (Nicholson, 1998). Hence, entrepreneurial leaders have to get out of their comfort zone in order to find new opportunities.

Concerning the third task, the management of resources, Ireland, Hitt, and Sirmon (2003) emphasize that only opportunity seeking (entrepreneurship) is not sufficient but also advantage seeking through strategic management. Especially, management of human resources is critical in entrepreneurial leadership as entrepreneurial leaders need to influence employees to obtain the goals (Gupta et al., 2004; Swiercz & Lydon, 2002; Wang et al., 2012). Beyond managing resources strategically on their own, leaders have to influence others to do so as well (Ireland et al., 2003). Therefore, entrepreneurial leaders should align team members towards common goals to gain their commitment (Strubler & Redekop, 2010). Obtaining support from others is necessary for managing resources and critical for implementing changes; only then effective work performance can be developed (Gupta, 2004). Accordingly, entrepreneurial leadership is often connected to visionary leadership (Bagheri & Pihie, 2010; Gupta et al., 2004; Strubler & Redekop, 2010). Meaning that entrepreneurial leaders should create an appalling vision to gain support of participants (Strubler & Redekop, 2010) and to inspire them to enact the vision (Bagheri & Pihie, 2010). If entrepreneurial leaders want to convince people to follow, they have to show confidence, while giving hope and optimism and communicate the purpose (Shirey, 2006). In conclusion, entrepreneurial leaders should encourage employees to work and manage resources together by creating a shared vision.

Looking at the tasks of entrepreneurial leaders, scholars assume that this leadership style consists of many different ones (e.g. Cunningham & Lischeron, 1991; Shirey, 2006; Surie & Ashley, 2008). Strubler and Redekop (2010) conclude that visionary and team leadership are critical for a good functioning entrepreneurial leader. Next to reinforcing the vision and mission by communication, entrepreneurial leadership includes aspects of transformational leadership (Surie & Ashley, 2008) as they should be personable and respond to peoples' needs (Cunningham & Lischeron, 1991). Emphasizing the social characteristic, Shirey (2006) stresses that authentic leadership is a precondition for successful entrepreneurial leaders meaning that they should show the value of their actions to employees, establish relationships,

and lead with heart. Therefore, the entrepreneurial leadership style is not fundamentally new, but comprises characteristics of others. However, leading entrepreneurially might require a different attitude and orientation than other leadership styles. In order to later on analyze its effect on employees' organizational commitment (EOC) one has to analyze which attitudes entrepreneurial leaders want and need to stimulate in their employees in order to create a successful entrepreneurial performance, which will be outlined in the following.

2.2 What are the Entrepreneurial Attitudes?

The dimensions of entrepreneurial attitudes can be determined by reviewing previous literature of entrepreneurship (e.g. Li, Huang, & Tsai, 2009; Lumpkin & Dess, 1996; Rauch, Wiklund, Lumpkin, & Frese, 2009). Overall, many in the literature mentioned entrepreneurial attitudes that can be summarized by the five entrepreneurial orientations of Lumpkin and Dess (1996); autonomy, risk taking, innovativeness, proactive and growth.

Firstly, autonomy can be defined as "the independent action of an individual or a team in bringing forth an idea or a vision and carrying it through to completion" (Lumpkin & Dess, 1996, p. 140). Cogliser and Brigham (2004) found a tendency towards shared leadership meaning that teams get more power to direct their own members, often leading to a better team performance, thus teams get more autonomic. Furthermore, Gupta et al. (2004) point out that entrepreneurial leaders should inspire employees to experiment and learn by themselves, which demand autonomy. Hence, an entrepreneurial orientation requires that people take responsibility and have the ability to work on their own.

A second entrepreneurial attitude is innovativeness, "the predisposition to engage in creativity and experimentation through the introduction of new products/services as well as technological leadership via R&D in new processes" (Rauch et al., 2009, p. 763). Innovativeness incorporates four basic concepts; ideas, people, transactions, and context; The challenge of a leader is to create attention among employees, collect, implement, and institutionalize different ideas while ensuring a part-whole relationship so that employees do not lose the sight as well as transforming structures and practices according to the new innovation (Van De Ven, 1986). The willingness to innovate and to create new ideas is stressed by many scholars within the entrepreneurship literature (e.g. Bagheri et al., 2013; Kuratko & Bloomington, 2007; Okudan & Rzasa, 2006). Ireland et al. (2003) pointed out that an effective entrepreneurial culture is where new ideas are demanded, innovation is promoted, risk is encouraged, failure is tolerated and change is seen as carrier for opportunities.

This brings us to a third entrepreneurial attitude, namely risk taking. Risk taking incorporates taking bold actions such as heavy investment or venturing in an unknown and uncertain environment (Rauch et al., 2009). This is presented as an important attribute by many studies (e.g. Bagheri et al., 2013; Kilgour, 1992; Kuratko & Bloomington, 2007; Okudan & Rzasa, 2006) as helps to discover new opportunities. Therefore an entrepreneurial leader should mobilize resources (Gupta et al., 2004; Wang et al., 2012) and be open for experiments (Prabhu, 1999). In sum, entrepreneurial leaders need to have the courage and ability to enter uncertain environment.

A fourth attribute, often mentioned in the literature of entrepreneurship, is proactivity (e.g. Bagheri et al., 2013; Kuratko & Bloomington, 2007; Okudan & Rzasa, 2006) which can be

defined as "an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services" (Rauch et al., 2009, p. 763). Therefore one who has to discover and exploit new opportunities (Ireland et al., 2003), should always be in motion and challenging the status quo (Santora, Seaton, & Sarros, 1999). However, incorporating opportunism often anticipates innovation and focuses on initiating activities, resembling innovativeness (Lumpkin & Dess, 1996). Therefore when analyzing the impact on the organizational commitment, innovativeness and proactivity will be considered together.

The last attribute refers to the competitive aggressiveness and the demand of growth. According to Lumpkin and Dess (1996) it can be defined as "firm's propensity to directly and intensely challenge its competitors to achieve entry or improve position" (p.148) and focuses on already existing demands in the market. Ireland et al. (2003) distinguish also in his study between opportunity and advantage seeking, while the former deals more with entrepreneurship, focuses the letter on strategic management under existing trends. However, both are necessary for a successful performance (Ireland et al., 2003). Similar, Okudan and Rzasa (2006) refers to competitive aggressiveness as one of the key entrepreneurial processes. In conclusion an entrepreneurial attitude does not only reflect the development of something new but the exploitation of exiting factors.

Overall not all five attitudes are equally often connected to entrepreneurial leadership in the literature. After reviewing entrepreneurship literature, the focus is most on the willingness to innovate, to take risk and autonomy. One reason might be due to the close relation between proactivity and innovativeness (Lumpkin & Dess, 1996), thus other scholars do not differentiate between them. Furthermore, competitive aggressiveness was mentioned seldom, which might be because scholars emphasis more opportunity seeking and new entries as an entrepreneurial attitude (e.g. Bagheri et al., 2013; Currie, Humphreys, Ucbasaran, & McManus, 2008; Kuratko & Bloomington, 2007; Santora et al., 1999) than exploring already existing trends. Furthermore innovation already requires according to the definition that it will successfully enter the market since innovation refers to an invention and its commercialization (Conway & Steward, 2009). Therefore, scholars might see the attitude "growth" as trivial. Overall, this study will focus on autonomy, willingness to innovate, proactivity, risk-taking and growth as main entrepreneurial attitudes. An entrepreneurial leader should try to promote entrepreneurial attitudes among employees as it has a direct and positive influence on the organizational performance (Li et al., 2009; Rauch et al., 2009). However, literature lacks on the research of the effect of such entrepreneurial attitudes on EOC. In order to assess the influence of those factors on commitment, one first has to define organizational commitment of employees and then relate it to the entrepreneurial attitudes.

2.3 How can Organizational Commitment be Defined?

Organizational commitment of employees deals in general with the relation between the employee and the organization. O'Reilly and Chatman (1986) define it as the "the individual's psychological attachment to an organization—the psychological bond linking the individual and the organization" (p.1). However, Mowday, Steers, and Porter (1979) do not only focus on the psychological dimension, but differentiate between attitudinal and behavioral commitment. While the latter concerns

extra actions an employee is taking for the organizational well-being, the former focuses on the mind-set including their values and goals of an employee and its similarity with the organizational ones, which often raises the intention to stay a member of the company and to promote the goals. Hence, organizational commitment is not only the identification with, but also the involvement in an organization. There are three main characteristics of organizational commitment “(a) a strong belief in and acceptance of the organization’s goals and values; (b) a willingness to exert considerable effort on behalf of the organization; (c) a definite desire to maintain organizational membership.” (Porter, Steers, Mowday, & Boulian, 1974, p. 604). Those characteristics can be found to some extent in the three components of commitment presented by Meyer and Allen (1991) which are affective, continuance and normative commitment. Affective commitment, sometimes also called “organizational commitment” (Boselie, 2010), exists when an employee can identify him- or herself with, is involved in an emotional attached to the organization. Continuance commitment encompasses that the employee shows only commitment due to the lack of alternatives or the risk of losing valuable side bets such as attractive benefits or seniority-based privileges. Normative commitment reflects the moral obligation to stay in the organization because of the close relationship with their colleagues. While the last two forms of commitment are neither based on intrinsic motivation nor inspiration and associated with a negative outcome (e.g. employee health), affective commitment shows a positive HR outcome (e.g. employee presence, employee well-being) (Meyer & Allen, 1991). Furthermore, affective commitment has the highest impact on employee turnover, job performance and organizational citizenship behavior followed by normative commitment, whereas continuance commitment has no or negative effect (Meyer et al., 2002). This findings can be reinforced by O’Reilly and Chatman (1986) who discovered that the intention to stay with the organization is positively influenced by internalization and identification which are antecedents of affective commitment (Meyer et al., 2002). Therefore, when analyzing how entrepreneurial leaders could gain higher EOC, most approaches might enhance affective, followed by normative and nearly no one for continuance commitment.

Proposition (1): Entrepreneurial leaders can enhance the most EOC when promoting primary affective commitment, followed by normative commitment.

After clarifying the different components of commitment, the following part will relate it to the previous named entrepreneurial attitudes.

2.4 How do Entrepreneurial Attitudes Effect Organizational Commitment?

In general, there is little literature which focuses directly on the impact of entrepreneurial attitude on EOC. However, looking at each entrepreneurial attitude separately, some connections towards organizational commitment can be found. Therefore, after looking at the effect of the overall entrepreneurial orientation on EOC, each entrepreneurial attitude will be analyzed separately.

The little existing entrepreneurship literature about EOC indicate an overall positive influence as seen in the following; De Clercq and Rius (2007) found strong support that an overall entrepreneurial behavior within an organization positively influences EOC as for those organizations employee involvement

is critical and therefore tend to devote high effort towards their employees. In those organizations employees are more likely to have interpersonal contact with the leader, which is often received by employees positively as an affirmation (Vecchio, 2003). While an informal relationship (Vecchio, 2003), involving, empowering and giving autonomy to employees increases the organizational commitment (Spreitzer, 1995), centralization and formal work settings lead to lower commitment (De Clercq & Rius, 2007). However centralization is unlikely to be incorporated at an entrepreneurial leadership, considering that the focus lies on encouraging employees to work autonomously and to take ownership. In short, entrepreneurial leadership effects EOC positively as employees get recognition and space for their own.

Furthermore, as previously mentioned, some researchers analyzed that entrepreneurial leadership contains to some extent characteristics of transformational leadership (e.g. Cunningham & Lischeron, 1991; Surie & Ashley, 2008; Walumbwa & Lawler, 2003). Further, transformational leadership has a positive impact on organizational commitment, positively mediated by psychological empowerment. Empowerment can be provided in form of autonomy in decision making (Avolio, Zhu, Koh, & Bhatia, 2004) which is one of the entrepreneurial attitudes. Another factor that mediates the influence of transformational leadership on organizational commitment is the personal identification with the leader which can be increased by giving inspirational motivation, stimulating intellectually and considering employees individually (Zhu, Wang, Zheng, Liu, & Miao, 2013). As one of the task of entrepreneurial leader is to align and create common goals (Strubler & Redekop, 2010), it might be easier for employees to identify with him and to build up commitment. In the light of this, one can assume that entrepreneurial leadership enhances commitment as it includes transformational principles. However, the main components are the entrepreneurial attitudes (autonomy, innovativeness, proactivity, risk-taking and growth) and therefore in the following their impact on organizational commitment will be analyzed.

2.4.1 Autonomy

Autonomy as one of the entrepreneurial attitudes has an overall positive impact on EOC. Providing the employee with more autonomy gives not only the feeling of control and a fair treatment (Haar & Spell, 2009) but also can be perceived as a form of non-monetary reward (Lawler, 1971, cited by Froese & Xiao, 2012), which enhances job satisfaction and consequently the organizational commitment (Froese & Xiao, 2012). Further, if employees have positive work experiences, including autonomy and participation in decision making, they are likely to stay as they value and want to extend those experience (Meyer & Allen, 1991). By empowering employees with more autonomy, employees can feel deemed trustworthy by the leader and gain more opportunities to make a significant impact with their work. Subsequently this can lead to a higher identification with the organization and therefore a higher commitment (Avolio et al., 2004). A underling theory used to explain the positive impact of autonomy on organizational commitment is the social exchange theory which says that if the organization shows concern about the employee and provides him with support and more autonomy, “the employee will feel the obligation to reciprocate that concern in form of affective organizational commitment” (Lavelle, Rupp, & Brockner, 2007, p. 853). This can be reinforced by Eisenberger, Fasolo, and Davislamastro (1990) who found out that perceived support leads to a higher affective attachment towards the

organization and Bhatnagar (2007) determining psychological empowerment as a predictor of organizational commitment. Overall, giving employees more autonomy is perceived as esteem; a feeling of being valued and trusted by the organization, positively affecting EOC.

2.4.2 *Innovativeness and Proactivity*

Looking at the entrepreneurial attitudes “innovativeness” and “proactivity”, one can say that there is no common consensus if encouraging employees to search for opportunities and to develop new market entry contributes to the organization commitment. Promoting innovativeness often means that employees have more freedom to experiment which leads to a higher willingness of employees to invest substantial energy in their organization (De Clercq & Rius, 2007). However, to achieve a high level of innovativeness, leaders have to encourage their employees and offer them support to leave their existing practices (Van De Ven, 1986) because employees only value their own performance compared to others (Fernandez & Moldogaziev, 2013). Thereby, employees who are highly supported show stronger affiliation and loyalty to the organization (Eisenberger et al., 1990). Furthermore employees who monitor the environment for new opportunity may get the feeling that they can change something and this power is likely to motivate employees to invest in producing more effort. As a result employees get closer attachment to the firm (De Clercq & Rius, 2007), which can be underlined by Eisenberger et al. (1990), confirming that employees who believe that they can contribute to the organization show a greater emotional involvement.

Nevertheless, innovation challenges and influences the existing framework, including norms and values, resulting in unclear expectations and task relationships between the co-workers. Additionally there is the possibility that the idea of innovation gets the central aspect of the employee’s self-concept, which leads to conflicts between the co-workers and dissatisfaction with the co-worker relationship (Janssen, 2003). Further, employees perceive innovation often as insecurity and stress as people and their organizations are mainly designed to preserve existing practices (Van De Ven, 1986), therefore some employees are likely to obstruct innovative processes and prefer familiar practices (Janssen, 2003). However, anxiety can be reduced while commitment to change can be increased by the exchange of high quality, timely and accurately information (Rafferty & Restubog, 2010). Summarizing, innovativeness and proactivity can be perceived by employees as either new power or as stress factor. Therefore the effect on the organizational commitment cannot clearly be predicted. However, when a leader not only communicates and clarifies the procedures and expectations but also offers employees support for leaving their comfort zone, the chance of a positive effect on EOC increases.

2.4.3 *Risk-taking*

While already shown in the current literature that intrinsic motivation of employees increases the willingness to take risks (Dewett, 2007; H.-L. Wu, Su, & Lee, 2008), little academic research examines the influence of risk-taking behavior on the organizational commitment without general agreement if risk-taking enhances or minimizes organizational commitment. Hofstede (2001) came to the conclusion that employees, who are less willing to take risks, are typically staying longer with their employer and considering loyalty as a virtue (cited by Froese & Xiao, 2012). Further, turnover intention of employees is positively related to risk propensity, meaning also that employees

with a low risk propensity have a lower turnover intention (Chow, Ng, & Gong, 2012). Next to that, employees “who perceive their work environment as safe and meaningful are more likely to invest in their employment relationship” (De Clercq & Rius, 2007, p. 482), therefore a safe work environment increases commitment (De Clercq & Rius, 2007), meaning that taking more risk might negatively influence commitment. Neither Froese and Xiao (2012) nor Colquitt, Scott, and LePine (2007) who both analyzed the direct influence of the willingness to take risk on organizational commitment found a significant direct relationship.

However, the willingness to take risk has an indirect positive affect on organizational commitment as the willingness to take risk has a positive impact on job autonomy and job satisfaction which enhance the organizational commitment (Froese & Xiao, 2012). Additionally, as taking risk includes uncertainties, a high degree of trust is required benefitting also the relationship with the leader and the coworkers (Colquitt et al., 2007). Accordingly, Colquitt et al. (2007) ascertain that trust is one of the primary predictors for the willingness to take risk; simultaneously trust is positively correlated with affective commitment. Therefore, if a manager wants to encourage risk taking, he or she has to build trust which also enhances organizational commitment. Overall risk taking can only positively influence EOC if the right circumstances are created including given trust and support so that the employee feels safe and not left alone.

2.4.4 *Competitive Aggressiveness and Growth*

There is no direct research done about the impact of entrepreneurial attitude “competitive aggressiveness” which means comparing to and learning from competitors (Lumpkin & Dess, 1996) on EOC. However, considering organizational learning capacity in general, one can say that in the literature organizational learning capacity is found to be positively influencing organizational commitment. Learning capacity or intention can be defined as the degree to which learning is perceived as a key to survive including the ability to monitor the environment and search out and screen candidates for an alliance (F. Wu & Cavusgil, 2006). Organizational learning requires to provide employees with trainings which not only improves their skills, but also their job satisfaction and subsequently commitment of employee (Paul & Anantharaman, 2004). In particular the “psychologically empowering climate, the strategic HR roles, of a change agent, and strategic partner along with administrative expert and employee champion, facilitates organizational learning capabilities, which leads to higher commitment” (Bhatnagar, 2007, p. 1800). Employees with a high learning orientation are likely to remain in the same organization because the more personal career-related benefits one perceives, the more likely they will participate (Noe & Wilk, 1993). Furthermore the highest effect of organizational learning on organizational commitment exist when the work schedule is flexible and the communication with the manager is high (Ng, Butts, Vandenberg, DeJoy, & Wilson, 2006), which should be incorporated in an entrepreneurial leadership (Gupta et al., 2004). Hence, although there is no research on the relationship between competitive aggressiveness and organizational commitment, one can assume that it probably has a positive impact as it includes the learning aspect which overall enhances EOC. Also, the learning aspect is likely to have the highest impact when the leader offers support in form of training and encourages high communication.

After analyzing the impact of each entrepreneurial attitude on organizational commitment, it seems that encouraging employees towards an entrepreneurial behavior has mainly a positive impact on organizational commitment. However, while there is a common consensus that autonomy and learning increases the organizational commitment, the impact of proactivity, innovativeness, and risk-taking cannot be clearly determined as those depend on the circumstances; how the leader is communicating and supporting those among employees as well as the trust-relationship between the leader and employee are especially important. Reiterating this point, Paul and Anantharaman (2004) found out that the work environment, including physical and social environment, significantly enhances the organizational commitment. Intellectual work especially requires (next to a physical infrastructure), an informal culture, supporting services and communication leading to a closer bond between organizational members (Paul & Anantharaman, 2004). This leads to following propositions (see appendix 1):

Propositions 2: Autonomy and learning will positively affect EOC.

Proposition 3: The effect of risk-taking and proactivity depends on the working environment characteristics and can only be positive with a working environment of high communication, support and trust.

Proposition 4: Entrepreneurial leadership has a positive effect on EOC if a work environment of support, communication and trust is given.

3. METHOD

In order to analyze the effect of entrepreneurial leadership on EOC, an academic literature review has been conducted to develop a theoretical framework, followed by a qualitative research of semi-structured interviews to gain empirical evidence. Especially in entrepreneurial scholarship qualitative research, it presents an important method as it not only provides a greater insight on what the investigated object is but also helps to understand how it occurs (Cope, 2005; Gartner & Birley, 2002). According to Gartner and Birley (2002) and Bryman (2004) many issues of entrepreneurship can only be answered by qualitative research. Furthermore, a qualitative approach is more sensitive than quantitative research when analyzing the leadership style, behavior, and its specific context (Bryman, 2004). In the light of this, this study will be based on qualitative research in form of semi-structured interviews, conducted with leaders from different companies as unit of analysis to analyze their experience and leadership behavior towards employees. In order to ensure a sufficient experience the following sample requirements include: (1) one year experience in a leadership position and (2) three direct reports and were selected on a nonprobability base. There will be no other pre-limitations or sampling criteria such as the industry or size of the company as this may limit the understanding and the identification of unintended results. As suggested by Gartner and Birley (2002) one should look at different entrepreneurial situation in order to expend the basic sense and clarify taken-for-granted beliefs. Multiple cases were analyzed in order to get a deeper understanding and make the research more generalizable with a total number of 76 leaders. The sample varies between gender (18% female, 72% male), age (25-64years, Ø38,8), years of experience in the position (0,5 – 24years, Ø6,8), total experience in managerial position (1-

44years, Ø13,25), location (Netherlands and Germany) and industry of the company, and number of direct reports (3-800employees, Ø 42) (appendix 2).

Organizations or managers were directly contacted via phone or email with the request for an interview. Subsequently, data was gathered from face-to-face or via video conference conducted interviews which were audio recorded and written down in a transcript. Five interviews were conducted by my own and 71 by 14 other researchers who also carry out a research in entrepreneurial leadership with the same interview template and sample requirements, enabling a better comparison. Therefore, the interview template was developed together which includes not only critical incident technique with semi-structured questions to get a deeper insight in the leadership behavior in different situations, to minimize the risk of social desirability bias and to leave space for unforeseen results but also more structured questions with a closer direction (see appendix 3). Overall the questions aim to determine the background, frequency and effectiveness of entrepreneurial leadership and its effect on employees and the firm performance. The interviews were taken in a time period of around one month and written down in a transcript for further analysis. In order to measure the gained data, primarily in the post data collection analysis the interview protocols were read several times and coded by highlighting repeated, surprising information, or which is connected to theory. Afterwards the coded information of each interview were categorized based on the research questions in a table; does the respondent indicate a positive, negative or varying, dependent effect of entrepreneurial leadership on EOC, what is their explanation, which factors do they indicate influence the effect and what is important for a leader to consider. Subsequently a variable-oriented cross-case analysis on factors influencing the effect of entrepreneurial leadership on EOC was conducted and the grounded theory method of Glaser and Strauss (1967, cited by Babbie, 2009) were used to develop a theory which is later on compared to the results of the literature review. Accordingly, interview answers were compared on similarities, differences and frequency of being mentioned by using the table with the coded information. Afterwards, they were grouped in categories (general effect of entrepreneurial attitude on EOC, factors leaders can use to moderate the effect and the dependence on employee's character) and labeled. In order to find connections and to analyze underlying pattern, the categories were mapped together within a conceptually ordered display taking also into account the findings of the literature review. Subsequently, overarching concepts were developed in the context of the relationship between entrepreneurial leadership and EOC. Lastly, the categories, patterns and concepts were integrated in order to delimitate the theory and develop a model.

4. RESULTS

The main purpose of this study is to explore the effect on entrepreneurial attitudes and determine moderating leadership approaches. In this section, the empirical findings related to the experience of the research subjects are presented. In particular, the following focuses on (1) the overall effect, (2) moderating factors that an entrepreneurial leader should consider to enhance EOC and (3) employees' perception of entrepreneurial leadership.

4.1 Entrepreneurial Leadership as a Trigger for Employees' Organizational Commitment

During the interviews and the analyses of the interview protocols, a consistent tendency could be discovered. The interviewees assess entrepreneurial leadership with a mostly positive effect on EOC. Some people had experience with different ways of leading and indicate that overall an entrepreneurial leadership style triggers higher EOC compared to a hierarchical, delegating style where employees were more passively involved. One of the main reasons mentioned were that this leadership style requires direct communication, high interaction and support for employees, which gives them the feeling of being valued and recognized, resulting in a higher motivation and commitment. Furthermore by having high contact with employees and a close relationship, the motivation of the leader can easier devolved on employees, which again enforces EOC. Hence, proposition 4 can be hold, highlighting that EOC is positively affected by entrepreneurial leadership when creating a work environment of communication, support and close relationships.

However looking at proposition 2 and 3, it was remarkable that the respondents did not clearly differentiate between entrepreneurial attitudes, only autonomy was often and directly mentioned in connection with EOC. Overall, a high positive impact of autonomy on EOC is indicated by the respondents, explaining that it not only provokes creativity and self-learning but also that giving employees ownership and more responsibility is often perceived as sign of esteem and praise. This supports the first part of proposition 2 indicating that the entrepreneurial attitude autonomy effects overall positively EOC.

Sometime little presents are worth much more than money. Similar with responsibility and praise. (respondent_12)

The quote above underlines not only the importance of praise but also that financial compensation, which is often a ascendance for continuance commitment (Meyer & Allen, 1991), has in some circumstance a smaller impact than creating affective commitment by personal involvement. Reinforcing this point, respondents indicate that promoting responsibility and creativity and thus a higher involvement creates stimuli to work harder and more voluntary. Further, having the feeling that you are to such a degree involved that you can make a difference enhances the motivation of employees.

People are more committed when they approach their business in an entrepreneurial way, because they do not only deliver final results, but they start working towards those results. (respondent_16)

Moreover, engaging employees, involving them in the innovation process and giving them the feeling of being a part of something, such as a team or an important project, leads to a higher identification with the organization and thus higher commitment.

We measure employees' engagement since it is in direct relation with commitment. Higher level of engagement was achieved with letting them be entrepreneurial. (respondent_68)

When employees can elaborate and realize their own ideas, they probably get more personally attached and invest more effort in it. Especially if employees are not only involved, but also think that they make decisions on their own independent of the manager and

contribute with that to the growth of the organization, their commitment likely increases.

If someone works autonomously, he is responsible for the result and can appreciate the success more. (respondent_10)

Considering those results, the proposition should be redefined as followed: By enhancing autonomy and empowerment entrepreneurial leadership has a positive impact on EOC.

However, leading employees in an entrepreneurial way is, according to the respondents, a challenge and difficult since a leader has to create the right work environment. In the following part, the main aspects are listed which the respondents indicated as important to gain EOC by an entrepreneurial orientation.

4.2 Factors Influencing the Effect on Organizational Commitment

The empirical data revealed different dimensions of leadership that have to be considered when encouraging employees towards an entrepreneurial attitude in order to guarantee employees well-being and commitment, including transparency, trust, no force, support, team spirit and a no blame culture. In the following part those factors will be explained including challenges that could arrive.

4.2.1 Transparency

In a changing organizational environment with a focus on innovation and proactivity, it is highly important to retain transparency. Therefore, as indicated by the respondents, leaders need to provide employees with all information, positive as well as negative. However, some employees have difficulties to accept information and opinions from others. Consequently, entrepreneurial leaders should not only give information but also ensure consensus through open discussions. If employees know and understand what is going on in the organization, not only their sense of control and involvement increases but they also feel more comfortable and less afraid. Next to that, transparency is often perceived by employees as a sign of trust which positively affect their commitment.

One of the most important experiences I made is that transparency is hugely important to gain trust of my employees and subsequently their commitment. (respondent_21)

In sum, to gain EOC by an entrepreneurial leadership, leaders need to develop a good information exchange so that employees feel involved and understand the circumstances. These findings underline proposition 4 that EOC can only be enhanced when an extensive communication is given and can be more precise defined: Entrepreneurial leadership has a positive effect on EOC if a work environment of support, communication, transparency and trust is given.

4.2.2 Trust and Esteem

In order to enable more flexible, creative and autonomous working, leaders need to trust their employees when leaving them freedom for decision making and performing. Many of the respondents experienced that by giving employees more freedom, they feel deemed trustworthy, leading to higher motivation. In contrast, too many rules and discussion can slow down the process and embarrass creativity and individual growth. In order to gain trust, the respondents declare that it is necessary to take each other serious and to show sympathy. By showing that you

value your employees and their work, well-being and performance can increase.

Employees feel integrated and taken seriously. This increases their job satisfaction and their commitment and contributes to a positive work-atmosphere (respondent_54)

Therefore building a close relationship between the leader and the employee is critical for gaining EOC which is also an antecedent of normative commitment. However, respondents mentioned that building up a trust-relationship incorporates challenges. Firstly, it is difficult and highly time-consuming to build up a close relationship and trust when having many employees and thus it might be more difficult to gain EOC in big organizations. Secondly, despite that trust and freedom is for an entrepreneurial leadership necessary, there is the risk that employees could exploit it. Although this does not concern every employee, a leader should assess the reliability and work mentality of each employee individually and align the degree of control and freedom. Overall, leaders need to become acquainted with each employee to build up trust and gain their commitment as well as to determine the degree of control and freedom they can provide.

4.2.3 Support

Analyzing the interviews, not only the importance of a close employee-leadership relationship were identified but also that when encouraging employees to be proactive and innovative autonomously, leaders have to ensure that employees have the right skills for the job and the possibility to get support. Motivation and commitment of employees increases when they feel comfortable, therefore the respondents suggested setting jointly goals and sub-goals as an orientation point. Further, respondents pointed out that by directly involving employees in the goal determination, employees have the chance to include their own idea and suggestions and thus can identify themselves more with it. As already mentioned such an emotional attachment antecedes an affective commitment (Meyer & Allen, 1991).

If innovation has to come from my own thinking and they only have to complement with a few parts, you don't reach their heart and their incentives. When I invite and inspire them [...] it gets directly closer to you [...]. (respondent_1)

Leaders can encourage employees by not only providing feedback but also celebrating already small success to validate their work. Next to that, feedback enables employees not only to assess their strength and weaknesses, but also to get aware what they can reach on their own, resulting in higher motivation and well-being.

As a manager you have to ask employees for feedback to give them the feeling that I take them seriously and that they get involved in the process and planning. (respondent_51)

Hence, these results support proposition 1, indicating that learning has a positive effect on EOC. In order to gain a high learning effect, the respondents pointed out that you should only provide support if it is directly requested or necessary because otherwise employees will not test their own skills nor work autonomously. In short, providing employees with support can help to gain higher commitment, however especially when leaders want to encourage entrepreneurial attitudes such as autonomy, it is important to estimate at which point it is really necessary.

4.2.4 No Force

Leading people requires motivating them to follow and to support the overall goal. According to the majority of the respondents, leaders should not delegate but try to sell it as the employees' idea or explaining the importance of the decision. Leaders should give employees the feeling that they need them in order to achieve not only organizational goals but also for their own good. Forcing employees would only decrease their commitment.

The responsibility has to be recognized by their own, so that they like to go to work. (respondent_52)

In other words employees should perform mainly because of intrinsic, internal motivation as this has a more positive impact on EOC than mandatory delegation. Accordingly it might argue against continuance commitment meaning that employees show only commitment because they have no alternatives, hence forced to do it due to their circumstances. Nevertheless, many respondents emphasized that you have to find the balance as in some situation, especially in emergencies where time and resources are limited, authority and delegation is required. Nevertheless, many respondents indicate that independent of the situation a spirit helps to get support and commitment of employees.

4.2.5 Team Spirit and Shared Vision

One of the main aspect mentioned during the interviews in the context of organizational commitment, is to build up a vision and a team spirit. A vision makes employees aware of the relevance of their work and the goals they commonly want to achieve. EOC, according to the respondents, increases if employees are convinced by the overall goal as they are more likely to stay for achieving this goal. However, a vision should not only be appealing but also inspire by the leader who should act as a role model with motivation and enthusiasm.

If you are always upbeat, it prevents employees from leaving because it creates happiness! (respondent_28)

Nevertheless, there is the risk to drive it into the extreme and lose employees' commitment, therefore respondent_22 suggested that vision and goals should be SMART, specific, measurable, achievable, relevant and time bounded and be created together so that employees feel more connected. The feeling of being connected can be enhanced by developing not only a vision but also a team spirit. Leaders have to make employees aware that they are not alone and should offer team building activities for creating interpersonal connections. As previously mentioned, creating a moral obligation to stay due to the employee's relationship with colleagues leads to a normative form of commitment. Further, many respondents indicated that identifying yourself as a part of a team let the employee feel more comfortable, especially in risky situations. In the context of proposition 3, one might conclude that not only support, communication and trust are necessary but also a sense of community to gain commitment when taking risk.

Only with a human relationship with each other, identification with the organization is possible. (respondent_25)

This findings support the importance of normative commitment (proposition 1), namely that employees show higher commitment if they built relationships with their colleagues. However, it was noticeably different than others that one respondent desired to

stimulate an internal competition in order to gain employees enthusiasm. The aspect of internal competition has not been addressed by many others in this sample. Nevertheless, one could combine team spirit and internal competition by organizing competitions between teams and not only individuals. In essence, entrepreneurial leaders can enhance EOC by creating a vision that is acknowledged by employees and encouraging a team spirit, but still ensuring a suitable level of internal competition.

4.2.6 No-blame Culture

Encouraging employees to take risks requires a no blame culture, meaning that there should be a high tolerance for making mistakes. The respondents indicated that one should accept mistakes and see it as a learning opportunity as only then employees have the courage to try it again and to start something voluntarily. Team spirit is important in this context too because by showing that you solve problems as a team, other employees might follow in their habits and dare to take more risks. Further, leaders should demonstrate that taking responsibility for your actions if something goes wrong does not lead to censure.

Demonstrating that the leader himself is not afraid of making false assumptions and things, people do the same and that's the only way. (respondent_14)

Especially, in the context of entrepreneurial leadership where attitudes, such as innovation, proactivity, and risk-taking are encouraged, the respondents emphasized the importance to make employees clear that mistakes are expected and accepted and that one should learn from it. Pointing out the importance of creating a suitable organizational culture reinforces proposition 3, suggesting that entrepreneurial attitudes such as risk-taking, innovativeness and proactivity require a suitable work environment with trust, support and communication. To summarize, by an entrepreneurial leadership employees probably feel more comfortable and show higher organizational commitment, when there is a no-blame culture and they feel safe and not personally judged.

4.2.7 Financial Reward

As previously mentioned, financial benefits are antecedents of continuance commitment. However, looking at the financial aspect in the context of gaining EOC by an entrepreneurial leadership, nearly no respondent suggests it as an approach. Few respondents indicated that by giving employees a financial share, they are more engaged with the risk resulting in a more risk-conscious behavior or motivating employees by financial participation in the savings due to employees' innovative ideas.

Profit-sharing with employees prohibit that they take unnecessary risks but reasonable risks are carefully thought through and advantages are composed. (respondent_54)

Lastly, financial bonuses can give an employee the feeling of being important and subsequently increases motivation.

You can make sure that someone feels important by rewarding him or her with money or goods when they show good numbers. (respondent_60)

Therefore, when looking at the effect of entrepreneurial leadership on EOC, one might conclude that continuance commitment in form of financial benefits has only a limited influence as it is only recommended by a few respondents.

Overall, looking at the examined moderating factors, one can divide those in stimulators for affective, normative and continuance commitment with regard to the study of Meyer et al. (2002) who determined the antecedents of the different commitment-forms. As previous indicated transparency, trust and esteem, support, no-blame and a no-force culture can help employees to identify with, emotional attach and involve in an organization which enhance affective commitment. In contrast, building trust and creating a team spirit can evoke a closer relationship between colleagues and leaders, which antecedes normative commitment. However, none of the approaches stimulates continuance commitment, except financial reward which was only indicated by few respondents. Therefore, findings confirm proposition 1 that entrepreneurial leaders can enhance the most EOC when promoting primary affective commitment, followed by normative commitment, while promoting continuance commitment seems to have a less significant impact.

Moreover, with regards to proposition 4, the results are confirming as not only support and trust but also communicating sufficient information and a vision are frequently mentioned by the most respondents as important factor for enhancing EOC. Nevertheless, the proposition lacks additional factors that a leader should cover and should be extended by transparency, creating a team spirit and a no-blame and no-force culture. Although the respondents specify that those leadership approaches are required to gain EOC by an entrepreneurial orientation, the majority also indicates that it depends on the employee's character. Therefore the following part will focus on the different types of employees and their perception of entrepreneurial leadership.

4.3 Individual Dependence

As the respondents indicated, the effect of the entrepreneurial leadership on EOC depends not only on different leadership approaches but also on the individual person. The affection to entrepreneurial attitudes is probably determined by the mindset, experience and skills of an employee as the employees' character seems to be an antecedent of entrepreneurial attitude. Other factors named by the respondents are the background, history, gained capabilities of employees. In contrast, a few respondents had the attitude that only some employees are made for performing entrepreneurial and some not, thus assuming that some employees are unable to learn it. Interesting was, that some respondent categorized their employees and gave independent of each other similar percentages.

5% are actively working in an entrepreneurial manner, 15% need a little impulse, 30% are open minded and can be motivated, 30% cannot decide and 20% strictly against it doesn't matter what you do. (respondent_21)

After analyzing the answers of the interviews, characteristics of employees who are showing commitment towards entrepreneurial attitudes and the one who are not can be determined. On the one hand, it is indicated as difficult to gain organizational commitment from employees who never experienced changes and always stayed in the same position. The respondents emphasize that those employees often believe that they are not able to cope with it due to missing skills. Therefore employees might be frightened and stressed out when attitudes such as innovativeness and risk-taking are encouraged. In this case, the respondents recommended that those employees are more satisfied by providing clear guidelines and defined tasks. Further, some employees who were already highly successful might want to

avoid an entrepreneurial leadership because they do not see the need for it or are afraid that their gained success gets destroyed. Lastly, some employees have such a closed personality that they avoid social interaction which is critical for an innovative attitude.

“I stay where I am, because there is too much insecurity” If you say to them “do something else”, people get nervous: So if you come with many new things or lead entrepreneurially, it wouldn't have an effect. (respondent_2)

On the other hand, entrepreneurial leadership might more positively affect EOC by open minded employees with courage.

With an entrepreneurial attitude goes courage not to do only things that are asked of you and not only when standing with one's back to the wall. (respondent_19)

The respondents indicated that by those employees it often comes of its own accord as they are interested in novelties and their curiosity is their trigger. Further, many see it as a chance for developing their carrier or as a challenge to prove their skills. Others are more committed because they have a man to action mentality and like to get attention. One interesting and noticeable response was that employees only show commitment as a favor for the leader which underlines the importance of a good employee-leadership relationship. While the previous mentioned propositions only refer to employees as one consistent group, the results indicate that overall employees perceive entrepreneurial attitudes differently, therefore the propositions need to be extended under the aspect of employees' characteristics; while some oppose it, others get highly motivated and committed. Therefore entrepreneurial leader should adjust their approach to the employee's character and experience and should not lead all employees to the same extent entrepreneurially. Overall the findings can be summarized in the following model.

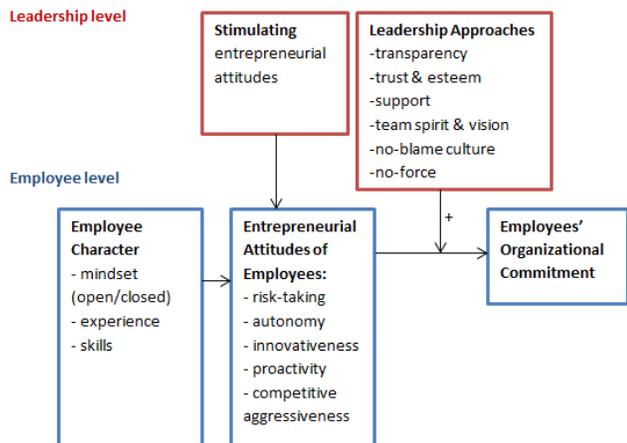


Figure 1. The ELEC Model

5. DISCUSSION

Gaining EOC is critical for entrepreneurial leaders as it leads to a more effective work performance (Gupta et al., 2004). However, entrepreneurial leader may find it challenging to motivate their employees given the unclarity about how employees perceive this leadership style and how leaders can support it in the right way. Therefore, this study presents the ELEC model based on an academic literature review and qualitative research by interviewing managers. The results show an overall accordance of approaches that a leader should incorporate in order to facilitate

the development of EOC, which are presented in the ELEC model. The ELEC model has the purpose to close the gap in the literature concerning the effect of entrepreneurial leadership on EOC by clarifying the entrepreneurial attitudes and showing the influence at the leadership as well as the employee level. The former shows the overall task of entrepreneurial leaders to stimulate entrepreneurial attitudes and presents moderating factors that an entrepreneurial leader should incorporate to gain higher EOC. The latter illustrates the importance of employees' character as an antecedent of entrepreneurial attitude. However, this model does not consider each entrepreneurial attitude separately compared to the proposition 1 and 2 since the respondents mostly reflect the impact of an overall entrepreneurial leadership on EOC without differentiating between autonomy, risk-taking, innovativeness, proactivity and competitive aggressiveness. Therefore one could assume that entrepreneurial leadership is not clearly differentiated between entrepreneurial attitudes, but is more understood by leaders as one interconnected behavior. However, another reason could be that it is difficult for leaders to connect entrepreneurial attitudes with the practice as during interviews many respondents had problem to grasp and understand the term “entrepreneurial leadership”, even after explaining the different attitudes. Rather, their answers focus more on the abilities of leaders to create a working environment helping and encouraging employees to work in an entrepreneurial style. Thus, in contrast to the first proposed model (Appendix 1), the ELEC model indicates a direct influence of approaches offered by the leader on the effect of the entrepreneurial attitudes on EOC. This findings reinforce the study of Ireland et al. (2003) and of Strubler and Redekop (2010) emphasizing that a critical task of a leader is to develop different approaches and an organizational culture for gaining employees' commitment and subsequently for being successful. This also highlights the relevance of this study as it examines and presents the main approaches a leader can use for enhancing EOC in an entrepreneurial context.

However, while the analysis of existing literature suggest support, communication and trust as critical factors for gaining EOC under an entrepreneurial leadership, the results of the interviews indicate additionally the importance of developing a no blame culture and appreciating employees' opinions without judging (esteem). Especially when encouraging innovativeness and risk-taking, employees should feel safe without the fear of getting directly dismissed by one mistake. Moreover, the interview results reveal the importance of not forcing employees but gaining their understanding and developing relationships. Those findings support Surie and Ashley (2008) who suggest that an entrepreneurial leader should incorporate transformational leadership aspects such as people orientation and inspirational motivation as well as Shirey (2006) indicating that authentic leadership, including the task of building up relationships, is a precondition for successful entrepreneurial leaders. Therefore, proposition 4 needs to be extended in such a manner that entrepreneurial leadership has a positive effect on EOC if a work environment of support, transparency, spirit and trust with a no-blame and no-force culture is given. In sum, indicating that entrepreneurial leaders should incorporate different approaches confirms other scholars that entrepreneurial leadership involves characteristics similar to other leadership styles (Cunningham & Lischeron, 1991; Shirey, 2006; Surie & Ashley, 2008).

Furthermore, looking more specifically at the approaches a leader should incorporate to increase EOC, the most, such as support and

a jointly created vision, aim a higher involvement of employees or a higher identification with the organization which are antecedence for affective commitment (Meyer et al., 2002). Moreover, the examined approaches highlight the importance of building up interpersonal relationships not only between employees, but also between an employee and a manager, which often leads to normative commitment (Meyer et al., 2002). However, interesting to see is that only a few leaders advised financial reward to gain EOC. Those findings support partly Meyer et al. (2002) concluding that affective commitment leads to the highest impact on employee turnover compared to continuance and normative commitment, despite the fact that this study also highlights not only factors leading to affective commitment but also the ones for normative commitment as important. By considering the research question, one might conclude that leading employees entrepreneurially mostly creates affective and normative commitment which can enhance EOC.

Nevertheless, the results of this study also stresses that entrepreneurial leadership has no coherent effect on EOC and in contrast to the study of De Clercq and Rius (2007) it emphasizes the moderating effect of leadership approaches and the dependence of employees' character as a antecedent of entrepreneurial attitude when determining the entrepreneurial leadership effect. Therefore each employee perceives entrepreneurial leadership differently based on their experience, skills and mindset. Consequently the proposed research question cannot be generally answered as the effect of entrepreneurial leadership on EOC depends on the employee. Furthermore, proposition 4 should be considered from two different perspectives when assessing the effect of entrepreneurial leadership on EOC, one of open and the other of closed minded employees. A leader should consider that the leadership style cannot be combined easily with employee's character and that they might have to trade each employee differently. However, as previously indicated sometimes employees act strictly against it, no matter what a leader tries. Therefore, these findings suggest that already at the selection process people should be assessed if they fit to an entrepreneurial leadership style or not.

6. PRACTICAL RECOMMENDATION, LIMITATIONS AND FURTHER RESEARCH

The findings provide a more complete understanding of how the effect of entrepreneurial leadership on EOC may be driven by the approaches created by the leader and the personality of employees. Based on this study several practical implications can be suggested. Primarily, it appears that by giving employees more authority leaders demonstrate their trust in employees; therefore leaders should give employees freedom to make their own impact. This might enable employees to identify themselves more as a part of the organization and thus should enhance ECO. Secondly, a manager should invest more in building up closer relationships with employees by for instance organizing informal meetings or creating a team spirit, which might lead to a higher motivation and willingness of employees to take risk as they probably feel safer and more comfortable. Thirdly, entrepreneurial leaders should provide different communication channels to foster information exchange and transparency which could not only stimulate the creativity and innovativeness of employees but also enhance commitment as employees could feel more involved and gain higher control over the circumstances. Last, by revealing the

different perceptions of entrepreneurial attitudes for employees, leaders should become aware that they must adjust their leadership approach according to the individual employee. One way could be by dividing employees in different groups where one could perform tasks which require a higher entrepreneurial attitude and the other tasks with clearer guidelines. Also, it emphasizes that leaders should from the beginning focus on the fitness of employee's character with an entrepreneurial leadership.

However, when assessing the results, one should be clear about different limitations. One of the main limitations was the small number of qualitative interviews. Although it provided an insight in entrepreneurial leadership, it relied on self-reported data and the study would demonstrate a higher validity by interviewing employees of the leader in each firm. Further, the cross-sectional design of this research cannot prove direct cause-relationships like a quantitative study could do. Another limitation is due to the characteristics of the sample. The sample requirements were only that the person has to have (1) at least three direct reports and (2) one year experience without requirements on their leadership style. Hence, some respondents had to assess the effect of entrepreneurial leadership without any experience or understanding in that particular field. Further the results are only based on the perspective of leaders without incorporating the direct perception of employees.

Therefore, further research should examine the effect on entrepreneurial leadership on EOC based on the perspective of employees who get led in an entrepreneurial manner. Moreover a research could analyze the entrepreneurial attitudes, firstly by testing if they are interrelated and secondly by making a qualitative or quantitative research on the effect of each entrepreneurial attitude on EOC separately. Further, this study indicates that employees perceive the entrepreneurial attitude differently and that leaders should consider this in the selection process. Thus, further research could analyze if an entrepreneurial behavior can be learnt or if you are 'born with it'. Next to that, research could determine a selection test and questions which helps assessing if applicants fit to an entrepreneurial leadership.

7. CONCLUSION

In order to close the gap in the literature concerning the effect of entrepreneurial leadership on EOC and leadership implications to positively influence this, this paper provides different approaches entrepreneurial leaders should consider to increase EOC. Further, findings reveal that no general conclusion can be made on the impact of entrepreneurial leadership on EOC since it depends on the employees' personality. The idea is derived by critical evaluation of scientific papers in the field on entrepreneurial leadership to determine the main entrepreneurial attitudes and the link to organizational commitment. Followed by identifying ways a leader could cope with employees' perception. The proposed ELEC model shows that the effect of entrepreneurial leadership on EOC is moderated by two sides, first by the leader who can facilitate the development of EOC with different approaches (supply, transparency, trust & esteem, no force, no-blame culture) and second by the employees' character (experience, skills and mind-set) as an antecedent of entrepreneurial attitude. Although this study is bounded by limited interviews and a current small amount of academic literature on entrepreneurial leadership, the results provide a general understanding of employees' perception of an entrepreneurial leadership and are a base for future research to improve the ELEC model and test it from different perspectives.

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10. APPENDICES

Appendix 1: Conceptual model

Entrepreneurial attitudes Work Environment Characteristics

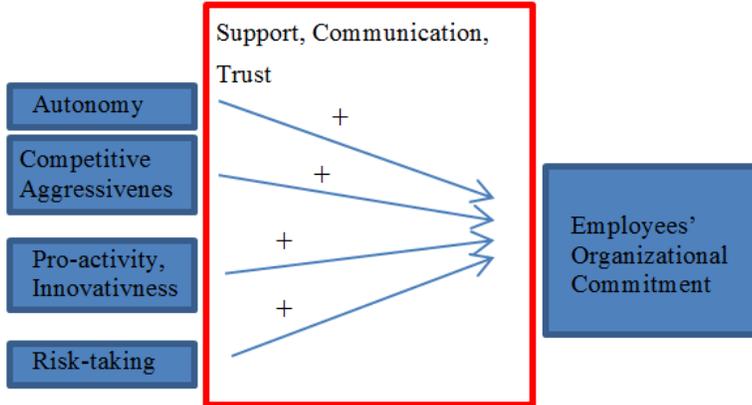


Figure 2. Conceptual model of the impact of entrepreneurial leadership on EOC

Appendix 2: Overview Interviews

In order to keep the respondents anonymous, the names and company names are excluded.

Respondent	Type of industry/products/service	Gender	Age	Function	Experience this Total experience managerial position (#years)			# direct reports	Type work reports
					position (#years)	~ 18 years	~ 75 of which 10		
respondent_1	Consultancy	male	~ 45	CEO	9 years	~ 18 years	~ 75 of which 10	Consultants	
respondent_2	Government	female	~ 40	Head department "Bureau Kaderstelling & Controle"	2 years	5 years	32	auditing, controlling, IT	
respondent_3	Education	male	54	CFO	1.5 years	34 years	~ 400	(Managers departments) Finance, ICT, Facility Management, HRM	
respondent_4	Housing consultants	male	~ 50	Co-director	9 years	19 years	9 / 10	consultancy in the field of housing and everything related to this	
respondent_5	Government	male	~ 63	Project manager	3 years	44 years	9	planners, finance, managers of building and moving teams	
respondent_6	Architecture	female	~ 38	Partner (50%) & Co-director	8 years	8 years	~ 25	architects	
respondent_7	Logistic services Charitable organization (independent body for political education)	female	~ 50	Manager Group Facilities Netherlands	3 years	20 years	~ 65	facility management & maintenance	
respondent_8		female	39	Manager	7 years	8.5 years	11	Educational staff for project work	
respondent_9	Local government	male	58	Head of Department "Assistance, Guardianship, maintenance research, parental allowance and child benefit	7 years	19 years	44	Broad range of tasks: Specialists, caseworkers, pure administrative staff, social workers, financial accounting staff	
respondent_10	(Child care) Education	female	50	Manager of Day-nursery centre and family centre	23 years	29 years	30	Educational staff, support staff	
respondent_11	Charitable organization	male	53	Manager	2 years	30 years	10	Broad range of tasks: Operational staff (organizing pony camps/activities, taking care of children who are customers, cooking), administrative staff (marketing, accounting)	
respondent_12	Insurances	male	45	Owner and manager	22 years	22 years	3	Closing insurance contracts, customer care	
respondent_13	Food Industry/ Baking Industry/ Franchising	male	49	Co-CEO	11 years	17 years	4	Growth/Expansion; Property Management; Architectural Department; Branch Management	
respondent_14	Metal Industry/ Basic Resources	male	62	CEO	9 years	22 years	20	Sales&Marketing; Finance; IT; Technical Customer Support	
respondent_15	Financial Services (App provider for financial services)	male	39	Co-founder and CMO	2 years	10 years	3	Social Media Marketing; Operations Management	
respondent_16	Venture Capital	male	54	Co-founder and CEO	4 years	19 years	30	Sales&Marketing; Finance; Operations Management (R&D, Supply, etc.)	
respondent_17	Public Relations Agency	male	26	Founder and CEO	1 year	1 year	3	Sales (SME; Start-ups)	
respondent_18	furniture	male	46	Co-founder and CEO	13 years	~15 years	16	carpenter, designer, technician	
respondent_19	Government, criminal justice	male	50	Deputy Head of Institution	0.5 years	12.5 years	80	care, treatment and supervision of prisoners	
respondent_20	printing industry	male	39	co-CEO	9 years	9 years	8	design and printing	
respondent_21	social service (care)	male	50	Chairman, CEO	2 years	~21 years	6	leaders of the different departments (e.g. HR, finance)	
respondent_22	electricity, gas, energy services	male	39	Groupleader	3.5 years	3.5 years	11	Procurement and sales management internally and externally	
respondent_23	Finance	male	55	CRO (Risk)	20 years	18 years	450	evaluation of all kind of potential risk factors	
respondent_24	Energy (electricity, gas)	male	54	CEO	5 years	12 years	120		
respondent_25	Insurance company	female	33	HR Manager	3 years	5 years	9	training and coaching, development of employees, project leitung	

Respondent	Type of Industry/products/service	Gender	Age	Function	Experience this Total experience			# direct reports	Type work reports
					position (#years)	managerial position (#years)	position (#years)		
respondent_26	prosthetic dentistry	male	53	CEO and founder	24	24	14	prosthetic dentistry	
respondent_27	Insurance company	male	55	CIO	5 years	15 years	30	closing insurance contracts	
respondent_28	App provider for events	male	29	Community Manager	0.5 years	10 years	3 - 12	PR, Event organizer	
respondent_29	Luxury Watches	male	30	COO and Co-founder	2 years	2 years	5	Daily operation	
respondent_30	Carsharing	male	37	CMO	3 years	3 years	4 - 5	leader for all marketing activities	
respondent_31	self-publishing platform for authors	female	25	CMO	3 years	2 years	5 - 10	Marketanalysis, PR, Key account management	
respondent_32	Online Marketing	female	34	CEO	6.5 years	6.5 years	24	Sales and Marketing, Business Development, HR	
respondent_33	e-learning platform	male	27	CMO	1 year	1 year	4		
respondent_34	Fashion Company	male	40	CEO	10 Years	14Years	10	Divisional Manager, Administrative Department, floor Manager, Marketing, Accounting, Supply, Decoration	
respondent_35	Banking Industry	male	32	Chief Representative	2 Years	15 Years	26	Dividend Specialist, corporate account manager, Private Banking Manager	
respondent_36	Healthcare	male	37	Administration Manager	5 Years	15 Years	209	Service, Supply, cuisine, cleaner, logistic, insurance, transport of patients	
respondent_37	Taxes accountancy and Attorney	male	50	Accountant	16 Years	23 Years	47	Accountant, Lawyers and Notary	
respondent_38	Bank Industry	male	47	HR Manager	4 Years	14	20	Corporate Account Manager, Teamleader, HR Development	
respondent_39	Catering Industry	male	27	Owner and Head of operations	2.5 Years	2.5 Years	18	Allround catering	
respondent_40	Social service	male	31	Team Manager	5 Years	8 Years	30	Administrative jobs on a social and legal level	
respondent_41	Installation company/ Alarm installations	female	27	Mechanic Manager	2 Years	2 Years	5	Mechanics, installing alarm	
respondent_42	contact center, call center facility	male	28	Team Leader	2.5 Years	2.5 Years	17	Call center functions	
respondent_43	Healthcare	male	50	Team Manager	12 Years	22.5 Years	55	Intellectually disabled care	
respondent_44	Hardware/ Software Development	male	32	Founder & Managing Director	10 Years	10 Years	8	Technology Development, Design, Marketing, Sales, HR	
respondent_45	App Service Provider for Pet care	male	30	Founder, COO, CFO	1.5 Years	3 Years	8	Product Development, Finance & Operations	
respondent_46	Social lending/ Shareconomy	male	37	Founder/ CEO	6 Years	15 Years	15	Design, Marketing, Finance, Software Development	
respondent_47	Lifestyle Product Manufacturer	male	27	Co-Founder/ CMO	3 Years	5 Years	5-6	Product Design, Web Design, Marketing	
respondent_48	E-Commerce/ Sustainable Lifestyle Products	male	29	Founder/ COO	1.5 Years	1.5 Years	5	New customer/ supplier acquisition, day-to-day operations	
respondent_49	Service App Provider- Electronic Car Charging	male	29	Co-Founder/ COO	2 Years	2 Years	6	Product Development, Business Integration, New Supplier/ Customer acquisition	
respondent_50	Service provider	male	57	CEO	10 Years	23 Years	300	sales, market development, marketing, strategy, business development	

Respondent	Type of industry/products/service	Gender	Age	Function	Experience this position (#years)	Total experience managerial position (#years)	# direct reports	Type work reports
respondent_51	mobile telephone industry	male	49	Head of department customer operations	1 Year	14 Years	800	operative area, project team, IT, reporting, product implementation
respondent_52	paper processing	male	58	Sales Manager	1 Year	20 Years	40	Sales
respondent_53	psychological consultancy	male	43	Managing Partner (Founder)	14 Years	14 Years	12	project management, customer service, project implementation
respondent_54	Graphic Industry	male	53	CEO	20 Years	30 Years	8	graphic, production
respondent_55	sports club	male	29	Manager Media and Communications	1 Year	1 Year	3	PR, social media
respondent_56	Hospital	male	60	Head Accident Surgery	20 Years	30 Years	4	medical assistants
respondent_57	paper processing	male	28	Junior Chief	1.5 Years	1.5 Years	150	accounting, HR, consultants, production
respondent_58	video games, merchandise	male	39	Store manager	8 years	13 years	12	Sales
respondent_59	Entertainment, events	male	25	Founder	3 years	5.5 years	9	Promotion
respondent_60	IT	male	50	warehouse manager	6 years	15 years	25	warehouse maintenance, order picking, order shipment
respondent_61	financial services	male	37	Manager large corporate	2 years	5 years	28	relationship management, sales, consulting
respondent_62	marketing	male	50	Owner	20 years	20 years	4	webdesign, marketing, flyers
respondent_63	Pharmacy	female	60	Owner	25 years	25 years	7	control of pharmacy products, sales, counselling
respondent_64	Gastronomy	female	32	Leader	2 years	5 years	5	Gastronomy service;
respondent_65	Hotel	male	64	hotelier	3 years	25 years	15	leading and guiding a Hotel
respondent_66	Logistic service/transport	male	43	Fleet management	4 years	7 years	87	transporting food products to customers (Truck driver)
respondent_67	Hospital	female	47	Charge Nurse	6 years	6 years	21	taking care of patient
respondent_68	Lightning, healthcare, consumer products	male	50	Head of Internal Communications, managing the internal communication	10 years	25 years	13	managing communication channels between departments
respondent_69	Service for transportation matters	male	55	CEO/founder	10 years	10 years	12	responsible for the managing and identifying transportation routes and transports
respondent_70	Design of Jewelry	female	47	Founder/CEO	7 years	15 years	4	manage the different smaller teams and sections in the company, lead, are the direct link between employees and CEO
respondent_71	Webdesign, promotion	male	50	CMO/team manager	5 years	23 years	9	communicate with customers, design
respondent_72	Service and solutions on electric and gas	male	36	team manager	6 years	8 years	12	Service mechanics
respondent_73	Service, Hotel and entertainment	male	35	Floormanager	3 years	3 years	50	Barkeepers, waiters etc
respondent_74	Government	male	40	Head of department License	6 years	10 years	25	jurists
respondent_75	Service and consulting financial matters	male	45	authorized signatory accountant	10 years	10 years	30	consultants, assistant accountants
respondent_76	Providing insurances	male	30	Teammanager	3 years	3 years	16	Consultants, insurance provisions

Appendix 3: Interview Template

INTERVIEW PROTOCOL ENTREPRENEURIAL LEADERSHIP

English Version 10-05-2014

-- Before you start your interviews, make sure you know the protocol and preferably test drive it on a friend or family member (I know that might be awkward) --

Introduction of yourself and the study

First introduce yourself and thank the respondent for taking the time to be interviewed

Explain briefly why you are doing this study:

- a) your final project to obtain your bachelor degree, and
- b) because you would like to learn more about leadership, in particular in relation to how leaders/managers encourage employees to behave entrepreneurially in organizations

Introductory information on the respondents background

- Name of organization
- Type of industry / generally what type of product(s) or service(s)
- Name of respondent
- Gender
- Age
- Name of function / position in the organization / main task-responsibility
- Experience in this specific position,
- Total experience in any managerial position
- Approximately, how many direct reports (=people that directly report to the manager in the formal hierarchy of the organization)
- What type of work do people under the manager do (direct reports and others in the hierarchy below manager)

Main interview question (critical incident technique)

1. Could you mention an example in your career of when you led your employees in an entrepreneurial way? If you have multiple examples please take the most recent one. Please take your time to choose and describe one example.
 - i. What happened in this situation or project? What was it about?
 - ii. Which specific behaviors did you demonstrate in this example? How did you show them?
 - iii. Could you describe in greater detail what you did or said exactly?
 - iv. Why did you show these behaviors?
 - v. What kind of behaviors did your employees show in this example? Could you describe them exactly?

2. BACKUP IN CASE RESPONDENT FINDS IT HARD TO ANSWER **OR** TALKS ABOUT OTHER ISSUES THAN ENTREPRENEURIAL LEADERSHIP (=OTHER TOPICS THAN THOSE RELATED TO RISK-TAKING, PROACTIVITY, INNOVATIVENESS, AUTONOMY, OWNERSHIP, OR COMPETITIVE AGGRESSIVENESS OR ENCOURAGING THESE)
 - i. Can you mention an example in your career of when you encouraged your employees to take risks or take ownership; be autonomous, proactive or innovative; or learn from competitors?

!!! -> If question 2 not necessary: explain here that in the literature entrepreneurial leadership is characterized by risk-taking, proactivity, innovativeness, autonomy, ownership and competitive aggressiveness and encouraging these in employees

Contingency factors

3. How often do you lead your employees in an entrepreneurial way (regularly or occasionally)? Could you give a rough percentage?
4. In which circumstances do lead your employees in an entrepreneurial way, when do you think it is most useful? Too what extent is such behavior useful?
5. In which circumstances do you think it is not useful?
6. How important is social intelligence – empathy, social awareness and skills – for leading employees in an entrepreneurial way?
7. How has your past experience influenced you in leading your employees in an entrepreneurial way? Has your opinion changed over time on this matter and if so why / when?
8. Could you also give a recent example of when you did not behave in an entrepreneurial manner towards your employees and why?
9. How would you describe your leadership in general?

Outcomes

10. What is in your opinion the effect of leading your employees in an entrepreneurial way on employee commitment? Please explain
11. What is in your opinion the effect of leading your employees in an entrepreneurial way on economic performance of the firm?
12. What is in your opinion the effect of leading your employees in an entrepreneurial way on the social performance of the firm? E.g. employee wellbeing (people) or environmental sustainability (profit)?

Closure of the interview

13. Do you have any final comments or thoughts on this matter you would like to share?