

The effect of an entrepreneurial leadership style on employees' sustainable behaviour

Author: Laura-Lisa Hellwig
University of Twente
P.O. Box 217, 7500AE Enschede
The Netherlands

l.l.hellwig@student.utwente.nl

ABSTRACT

Sustainability is an emerging area of investigation within the entrepreneurial leadership literature. Therefore, it is critical to understand more about how an entrepreneurial leadership style can influence the sustainable behaviour of employees. With the use of current literature and interviews with managers in Germany and the Netherlands, this study developed a model about the effect of entrepreneurial leadership on sustainable employee behaviour. The model explains how entrepreneurial leaders can influence employees' sustainable behaviour in several ways. Stimulation of sustainable behaviour can be done by correcting unsustainable behaviour, showing role model behaviour, giving autonomy, support, responsibility and ownership to employees as well as raising awareness and learning from competitors. Employees react in different ways to the stimulation of sustainable behaviour by the application of an entrepreneurial leadership style. Employees react with motivation, commitment, creativity and learning but also giving signals of being overtaxed. The study has shown a dependency on the contingency factors company perspective, as well as attitude and personality of employees and entrepreneurial leaders. Both, the entrepreneurial leadership style applied to stimulate sustainable behaviour and employees being confronted with this leadership style are influenced by these contingency factors. This research adds to existing literature by setting directions for leaders on how to use an entrepreneurial leadership style to stimulate employees' sustainable behaviour. In addition, there are not many models about the stimulation of employee's sustainable behaviour yet, so this model could be used as a basis for further research on this topic.

Supervisors: Dr Michel Ehrenhard, Raja Singaram

Keywords

Entrepreneurial leadership, leadership, sustainability, sustainable employee behaviour

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1. INTRODUCTION

Sustainability is the ability of society to “(meet) the needs of the present without compromising the ability of future generations to meet their own needs.”(Brundtland, 1987, p.292). In order to find long-term solutions to sustainability issues it is important to educate people and implement sustainable thinking in their daily lifestyle. Getting them to behave sustainably can add up to large savings regarding the expenses of the firm, the overall health of the planet, as well as to the well-being of people (Doppelt, 2009). Yet, little is known about how such attitudes and behaviours are developed in employees other than through training. In day-to-day work situations, leaders have a strong effect on employees’ behaviour. On top of that, the increasingly competitive and turbulent environment that organizations face today; asks for entrepreneurial leaders who distinguish themselves from other behavioural forms of leadership which can deliver a big advantage for the survival of the firm (Gupta, MacMillan & Surie, 2004). The applied leadership style can be set in relation to the influence leaders have on employees. Sustainable behaviour asks innovative thinking and self-responsible acting from the actor as new ways of doing things need to be developed. Besides, a high feeling of ownership for a company and its resources stimulates a more sustainable treatment of these. These attitudes (responsibility, innovative thinking, and ownership) of employees are the aim of an entrepreneurial leadership style. Despite the existence of many studies concerning the impact of leaders on followers (e.g. employees’) attitudes, beliefs and behaviour (e.g. Oreg & Berson, 2011; Schein, 2006) current research lacks knowledge about the impact of entrepreneurial leaders on employee behaviour concerning the highly important topic of sustainability. This paper aims to examine entrepreneurial leaders’ influence on sustainable behaviour of employees. “How can an entrepreneurial leadership style influence sustainable behaviour of employees?” is the guiding research question throughout this paper.

The structure of the paper is as follows: The first section provides an introduction to the topic. Afterwards, an extensive literature review is presented in order to examine the current body of knowledge and to develop propositions. In the third sections the underlying method is discussed. Based on the methodology the forth section presents the results which are discussed afterwards. The final section concludes the paper which provides an answer to the research question.

2. THEORETICAL FRAMEWORK

The following section aims to set the concepts entrepreneurial leadership and sustainability in relation. Further, its purpose is to find out in how far the link between entrepreneurial leadership and sustainability is already examined. Therefore, first entrepreneurial leadership and sustainability will be defined. After that, the current body of knowledge about the relation of these concepts is investigated in the form of a literature review.

In the literature entrepreneurial leadership is characterized by innovativeness, risk-taking, autonomy, pro-activeness, ownership and competitive aggressiveness (Rauch, Wiklund, Lumpkin & Frese, (2009); Antoncic & Hisrich, (2003); Lumpkin & Dess, (2001); Lumpkin & Dess, (1996)). Entrepreneurial leaders also encourage these characteristics in employees. These characteristics help to develop first ideas of how an entrepreneurial leadership style can influence employees.

2.1 Sustainability

The concept of sustainability can be divided into three different dimensions called the triple bottom line: profit, planet, people (John Elkington, 1994). This concept can be seen as a tool to examine the impact of business activities on the environment, social equity and economy (Stenzel, 2010).

The next section will examine the current body of knowledge about the influence of entrepreneurial leadership on employees’ behaviour concerning sustainability.

2.2 The influence of entrepreneurial leaders regarding sustainability

An entrepreneurial leadership style is characterized by giving autonomy to employees. When granting autonomy to employees they get the chance to perform effectively because they work independently, creatively and self-directed (Arshad, Rasli, Arshad & Zain ,2014). One can distinguish between two different processes that explain how leaders’ attributes can be related to employee behaviour (Oreg & Berson, 2011). The first process was developed by Berson, Oreg and Dvir (2008) who found that leaders’ characteristics have a direct impact on the decision and choices they take in their position. These decisions influence employees’ attitudes and beliefs which result in certain behaviour. The second process focuses on how followers are influenced by leaders. Every individual decision taken by the leader has an influence on employees’ attitudes and beliefs, thus also on their behaviour (Avolio, Zhu, Koh & Bhatia, 2004). Here organizational culture and climate plays an important role (Schein, 2006). In a small entrepreneurial venture organizational culture and climate is mainly determined by the entrepreneurial leader through his way of controlling, rewarding and what he pays attention to. The latter process, which is characterised by influencing followers’ attitudes and beliefs thus behaviour through the decisions which are taken, is especially relevant for entrepreneurial leaders in a small venture as they are the ones who determine the firm’s policies and strategy. Oleg and Berson (2011) conducted a study about leadership and employees’ reaction in schools where they looked at school principals and teachers. They found that in an environment where the leader (i.e. principal) has a key strategic role in shaping the organization’s vision and a high autonomy while participating actively in the day-to-day management practices, the impact of leaders on followers should be even stronger. This environment with the attributes of a leader who shapes the ventures visions and enjoys a high level of autonomy while maintaining an active involvement in the day-to-day management is highly applicable to the environment of an entrepreneurial led company. Therefore, one can argue that the impact of entrepreneurial leaders on employees is even higher than for non-entrepreneurial leadership based companies. However, in the case of intrapreneurship where decisions about strategy and policies are taken on a higher level senior leaders have a higher influence on employees (Oreg & Berson, 2011).

“Influence on employee behaviour concerning sustainability” seems to be an attractive term to be examined in the notion of sustainability. When trying to stimulate employees to act sustainably it often happens through an entrepreneurial leadership style which communicates the importance of sustainability (O’Neill, 2013). Molnar and Mulvihill (2003) emphasize that sustainability initiatives resonate most effectively when it happens on a local basis and when an entrepreneurial leadership style stimulates a sense of ownership. This is because employees can take pride in changes and they can visibly see what has changed. Further the authors mention the importance of employees having the opportunity to get enthusiastic about the topic and developing commitment which

can only be partly steered by the influence coming from the top. There are four different categories in which employees can be engaged in sustainable behaviour: Strategy, communication, facilitation, and employee motivation (d'Arjuzon, 2012). In the facilitation approach entrepreneurial leaders can play an active role. Leaders can follow the easy rule of thumbs that the easier it is the more likely employees will get engaged. Here the availability of financial resources for sustainable project is one of the main tools, but also the allowance of allocating working time to these kinds of project. D'Arjuzon (2012) emphasizes that there is no single roadmap of how to influence employee behaviour concerning sustainability, but it is extremely dependent on contingency factors such as company environment, company culture and strategy. On top of that, Surie and Ashley (2008) stress that entrepreneurial leaders naturally seek to exploit innovative opportunities. Du to this they are key-drivers for sustainable development. They also encourage this attitude in their employees.

Despite of the existence of many studies about the impact of leaders on followers (e.g. employees) attitudes, beliefs and behaviour (e.g. Oreg & Berson, 2011; Schein, 2006) there is still a lack of knowledge about the impact of entrepreneurial leaders on employees' behaviour concerning the highly important topic of sustainability. The body of knowledge about this specific topic will be enhanced by conducting interviews with entrepreneurial leaders.

Based on the literature review one would expect that entrepreneurial leaders have a strong influence on employees. However, the literature also indicates a high importance of contingency factors for instance culture and industry. According to that one might expect that in companies where sustainability plays an important role entrepreneurial leadership can have a highly positive effect on employees' behaviour concerning sustainability. However, in sectors where leaders do not identify with sustainability either no effect exists or maybe even a negative effect. Further literature suggests that personal characteristics of leaders play an important role in how they affect employees. Accordingly, it is likely that entrepreneurial leaders who consider sustainability as highly important influence employees positively with their leadership style to act sustainably. It is likely to find evidence for the first expectations of a link between contingency factors and entrepreneurial leadership influence. It might be more difficult to find evidence for the latter expectation as this would require a closer observation of the entrepreneurial leaders. During interviews only the entrepreneurial leader himself is asked. This makes it difficult to explore which characteristics of the leader are perceived by him and which are actual characteristics.

Summarising one can formulate clear propositions about the effect of entrepreneurial leadership on employees' sustainable behaviour. The earlier mentioned characterization of an entrepreneurial leaders innovativeness and the fact that entrepreneurial leaders try to trigger this behaviour in employees leads to the first proposition:

Entrepreneurial leaders stimulate employees to think of new more sustainable ways of doing things.

Another characteristic is that entrepreneurial leaders try to cause a high ownership for projects in employees. A high ownership goes hand in hand with high responsibility. A responsible way of treating company resources naturally leads to a more sustainable manner of using resources. This therefore leads to the second proposition:

Entrepreneurial leadership causes employees to use company resources in a sustainable manner.

Looking at the first two propositions it becomes clear that they most likely hold true when entrepreneurial leaders themselves see the importance of triggering sustainable behaviour. If an entrepreneurial leader is not concerned with the sustainable treatment of resources which leads to the third proposition:

The entrepreneurial leader's personal attitude towards sustainability influences his effect on employees' sustainable behaviour.

The following methodology section explains how an interview framework was developed in order to explore the above formulated propositions.

3. METHODOLOGY

This study was designed in order to gain new insights about leadership. In particular about how leaders/managers encourage employees to behave entrepreneurially in organizations and how the leadership style is related to employees' sustainable behaviour. Bryman (2004) argues that the understanding of leadership behaviour and leaders is enhanced to a higher extent by qualitative approaches than by quantitative-based approaches. In the light of this, the study is based on in-depth open interview questions thus a qualitative research approach. Furthermore, it is a widely used research technique for relatively unexplored subjects, as it is the case for entrepreneurial leadership style related to employees' sustainable behaviour (Eisenhardt, 1989). The interviews have been conducted and executed with managers in the Netherlands and in Germany. The following subsections will elaborate on the interview design, the sample, procedures and the used method.

3.1 Interview Design

For this qualitative study 13 interview questions were designed in collaboration with a peer group of 15 students. The questions are open questions, which aim to get extensive and detailed answers from the interviewees. The interview can be divided into three parts. The first part consists of the main interview question which is based on a critical incident technique (CIT). CIT is a set of procedures in order to directly observe human behaviour. It is used to get insight in possible solutions for practical problems. In this case the critical incident is observed by asking respondents to tell about an experience they have made when leading their employees entrepreneurially. The advantages are that the data is collected from the interviewee's perspective in his own words; respondents are not forced in a given framework and richness of the information is high because open questions are used (Chell (2004), Gremler (2004), Flangan (1954)). The CIT question used aims to discover if and how leaders lead their employees with an entrepreneurial leadership style and how they do that exactly. The second part focuses on the contingency factors which influence entrepreneurial leadership. The third part focuses on the outcomes of an entrepreneurial leadership.

3.2 Sample

The initial study relies on a sample consisting of 76 interviews. Any manager with at least three direct reports and one year of experience was considered as suitable for the study. All interviewees led (groups of) employees as part of their daily work. Every participant reported his basic demographic information including gender and age. Concerning their role in the organization they have been asked about their position, the duration of their position, the length of their managerial experience, the number of (direct) reports of employees delivering information to them, the type of these reports and about a description of their main task and responsibilities. Even though the whole sample consists of 76 interviews, for the

qualitative analysis a sample size of 25 will be used. The reason is that certain interview answers do not give insight into the effect of entrepreneurial leadership on employees' sustainable behaviour. The sample which this underlying study uses includes 76 % male participants and 24 % female participants. The average age was 44.28 years with a standard deviation of 10.9, with 63 as the sample high and 25 as the sample low. They worked in their position in average for 6.7 years. The average of management experience was 15.1 years. The average number of direct reports was 43, with the smallest number of 4 direct reports and the highest number 300.

3.3 Procedure

The interviews were conducted individually by 15 different interviewers between May 12 and June 20, 2014. All of them worked with the same questionnaire. The interviews were mostly conducted in the native language of both interviewer and interviewee. The average duration of each interview was 50 minutes. Partly interview protocols were recorded using a digital taping technique. Interviews were conducted in different location as the interviewee's office, at home or in a café. Interviewer's conducted the interviews face-to-face, via video-conference or via telephone.

3.4 Data Selection and Analysis

The following paragraph first gives a brief explanation of how interviews from the total sample of 76 were extracted to a smaller relevant sample which was used for this study. After that, an elaboration on the descriptive analysis of the interviews will be given which leads to the results.

The relevant sample was developed based on answers given to the twelfth interview question: *“What is in your opinion the effect of leading your employees in an entrepreneurial way on the social performance of the social performance of the firm? E.g. employee wellbeing (people) or environmental sustainability (planet)?* Not all given answers were useful in order to answer the research question of this paper. The answers could be labelled in rough categories shown in Table 1. Although answers which can be labelled as “Answers related to people component”, “Irrelevant answer” and “No answer” give information about the view and importance of entrepreneurial leadership and employees' sustainable behaviour, they cannot be used to gain insight about the effect of entrepreneurial leadership on employees' sustainable behaviour. The labelling led to a smaller, more relevant sample of 25. As the underlying study uses a qualitative approach a sample of this size is a good basis in order to obtain relevant results (Marshall, 1996; Sandelowski, 1995).

Table 1: Answer labels

Category name	Description
Positive effect	Interviewee describes a positive effect of an entrepreneurial leadership (EL) style on sustainability (planet)
No effect	Interviewee does not see an effect of EL on sustainability
Negative effect	Interviewee does see a negative effect of EL on sustainability
Positive effect unrelated EL	Interviewee sees a positive effect of sustainability/high importance but does not relate it to EL

Answer related to people component	Interviewee answers the question about BOTH components planet and people by only elaborating on people component
No relevance of sustainably	Interviewee states that sustainability does not play a role in the company he is working at
„Don't know“ answer	Interviewee indicated that he does not know/cannot think of an answer to the question
Irrelevant answer	Answer is not relevant for the question
No answer	No answer given

The new sample was analysed by taking the following steps. The first step of the data analysis was “Tidying up”. This includes for instance gathering all data at one location and labelling interviews. This step is important in order to make a preliminary assessment of the data set (LeCompte, 2000). Secondly, the units of analysis were set. It included a closer look at the collected data. The interview protocols were read intensively to identify categories. Units of analysis were identified based on different criteria. If different respondents gave similar answers on a frequent basis this answer was considered as important. Also the absence of an answer to the interview question was taken into account. Thirdly, patterns were created based on the given answers (LeCompte, 2000). The identification of units of analysis helped to identify similarities and differences which allowed indicating patterns. Patterns were identified by categorizing the answers in tables by evaluating which answers go together. This leads to the final step of assembling structures which helps to elevate the answers to a higher level of abstraction in order to use them to formulate generalizable results. Strauss and Corbin (1990) recommend using current literature as background material as it was done in the first part of the paper in form of a literature review.

4. RESULTS

In the following section the results concerning the effect of entrepreneurial leadership concerning employees' behaviour towards sustainability will be analysed. The analysis of the interviews leads to several themes which are considered as important regarding this topic. The effect of entrepreneurial leadership on employees' behaviour concerning sustainability can be summarized in 14 themes on three aspects. Some of the themes are expected to have a direct influence on employees' sustainable behaviour. Others influence the employee by stimulating them to show an entrepreneurial behaviour which might lead employees to use resources in a sustainable manner.

The first aspect, consisting of eight themes, deals with the behaviour the entrepreneurial leader might show in order to influence employees' behaviour concerning sustainability.

The earlier conducted literature review has shown that leader's behaviour has a strong influence on follower's behaviour. The analysis of the interviews leads to several themes which are considered as important regarding to this topic. **Theme 1: Correction of behaviour.** Unsustainable behaviour of employees can be corrected by an entrepreneurial leader by stimulating employees with the use of an entrepreneurial leadership style to think about the topic. This means that the entrepreneurial leadership style is used as an instrument to make employees broaden their horizon and think about sustainability. The situation could be that an employee uses company resources in an unsustainable manner. An example is

that one employee leaves on his computer during the night while he is out of the office. The entrepreneurial leader can correct this behaviour in the first instance by pointing out that this is an unjustified waste of energy. In the second instance an entrepreneurial leadership style can stimulate the employee to take ownership and responsibility for the company and its resources which automatically leads to a more sustainable behaviour concerning the use of resources. This is because it can be expected that employees treat the resources they see partly as their own and feel responsible for in an economical way. **Theme 2: Role model.** It turned out that one way for entrepreneurial leaders to affect employees' behaviour towards sustainability is to show "role model behaviour". The reason is that employees are likely to follow this behaviour. Acting as a role model was named in several different contexts. On the one hand, concerning behaviour the entrepreneurial leader expected from his employees e.g. taking risk even though there is a possibility of failure and being open-minded towards new sustainable value proposition. On the other hand, concerning behaviour the entrepreneurial leader did not want his employees to show. To keep the aforementioned example of company resources, one situation could be printing fewer documents and reading those on the computer instead. If the entrepreneurial leader acts sustainably employees notice that and might show the same behaviour. This can be a simple thing like recycling paper, printing less or switching off the light. It can also be things concerning the personal environment for example taking the bike to work instead of the car or changing to a vegetarian nutrition. **Theme 3: Awareness.** Not everyone is aware of the importance of sustainability. Entrepreneurial leaders can influence their employees to behave sustainably by raising awareness of the topic. This can be done by communicating its importance and emphasizing sustainability is of everyone's interest. It is useful to communicate a clear aim and expectations otherwise uninterested employees might not take action. **Theme 4: Support.** While giving support the importance of acting as an advisor was mentioned. Support should not come in the form of strict guidelines of how to behave more sustainable. Strict guidelines could evoke the opposite of acting sustainable because employees have the feeling of being forced to it, even though that is a topic where employees have the choice of going for it or not. It is rather helpful to give advice but emphasizing that the responsibility is still on the employee's side. In the context of a project the entrepreneurial leader can point out financial savings which result from a more sustainable use of resources. As the entrepreneurial leader most likely has more expertise in this field he can give support to the employee which helps to develop an understanding of the sustainable usage of resources on the employee side and to financial savings which are beneficial for the organization. **Theme 5: Autonomy.** It was reported that entrepreneurial leaders stimulate entrepreneurial behaviour in their employees by giving them room to learn by not specifying in detail what they have to do. This means employees have the autonomy to think of a solution to the problem themselves and develop their skills by doing so. Certain employees have a very high enthusiasm about sustainability themselves. They might show this by coming up with ideas for sustainable projects or by treating resources sustainably. If employees show this behaviour entrepreneurial leaders can support their ideas and granting them work-time from their daily work hours to accomplish a sustainable project or spreading sustainable ideas throughout the rest of the organization. Accordingly, an entrepreneurial leadership style stimulates employees to give their own input about problems, solutions and to come up with creative ideas. Employees are challenged to come up with innovative ideas, to take risk and to

analyse risk. This makes them more open-minded. They are triggered to think about sustainable ways of doing their work. The matter of sustainability is a widely spread topic. When giving employees the autonomy to bring in their own ideas the topic of sustainability automatically comes up. **Theme 6: Competitors.** An entrepreneurial leadership style is characterized by the ability of learning from competitors. As many companies already implemented sustainable practices an entrepreneurial leadership style can stimulate employees to look at other companies and observe how they are handling this topic. This can be done by different means. Most businesses explain their view and their applied practices on the company's website. Employees can learn from that and generate ideas how to implement similar project in their business. This way of learning also has the positive effect that employees see that this method already worked somewhere else so it can also work where they operate. **Theme 7: Responsibility & Ownership** Entrepreneurial leadership style was reported to include giving responsibility to employees. They were allowed to work on their own projects which they were completely held responsible for. By giving them responsibility the entrepreneurial leader triggered a higher ownership feeling which ensured that in case of a successful project the employee was motivated to work on further project because the current project success was connected to his work. When feeling responsible for a project or even the whole organization it is natural that employees are also concerned with general savings for the company or project budgeting. Employees explore the possibilities for savings when applying a sustainable use of resources. Giving responsibility goes hand in hand with the stimulation of ownership. Entrepreneurial leaders reported to stimulate ownership in employees by asking questions like: "What would you do if it were your business?" This makes employees think more innovatively. Another way to create ownership is to involve employees in decision making. When employees take ownership for a project or organization they are concerned with the sustainable development of the firm as they see it partly as their own company which they do not want to see in bankruptcy in the future. That makes them using company resources more sustainable.

The themes of the aforementioned aspect can be divided into two categories. Theme 1, 2, 3 and 4 are expected to have a direct influence on employees' sustainable behaviour. For theme 5, 6, 7 and 8 the entrepreneurial leadership style stimulates employees to show an entrepreneurial behaviour which leads the employee to use company resources in a sustainable manner.

The second aspect deals with the behaviour of employees when confronted with an entrepreneurial leadership style which triggers sustainable behaviour. It consists of four themes. **Theme 1: Motivation & Commitment.** Employees confronted with an entrepreneurial leadership style might react with a high level of motivation. An entrepreneurial leadership style can be shown by the themes of the first aspect mentioned above. When given responsibility and ownership of a project "they try to do their" best. This also increases employees' horizon as they think out of the box. Thinking out of the box has a positive impact on sustainable behaviour as employees come up with innovative ways of using company resources sustainably. Motivation and commitment leads to the willingness of employees to put extra effort in their work, therefore they might also put extra effort in sustainable projects. An entrepreneurial leadership style also stimulates that employees react with a higher commitment towards the project and/or the organization. **Theme 2: Learning.** Self-driven working and autonomy triggers learning. Employees are responsible of their project/task. In case of

failure they know it was their responsibility and learn from their mistakes. When employees implement minor sustainable practices themselves and see a positive result they learn from it. Through this positive learning it is likely that employees show sustainable behaviour again. This can be reinforced by positive support from the entrepreneurial leader. **Theme 3: Creativity.** Being responsible for a good outcome of a project or having the autonomy to design a project according to own preferences raises the creativity of employees. Working creatively comes together with innovative ideas which might appear as sustainable practices or projects. **Theme 4: Overtax.** The application of an entrepreneurial leadership does not only stimulate positive behaviour in employees. Employees who cannot handle a high level of responsibility or who are not able to work self-motivated might feel overtaxed. This is an important factor to take into account. In this case the entrepreneurial leader is asked to judge employees in the right way and to know who can handle responsibility and who cannot. An employee who feels overtaxed is not open-minded and willing to adopt sustainable behaviour as this means the employee has to change his old behaviour which is again an effort next to the problems of dealing with an entrepreneurial leadership style.

So far 11 themes along two aspects have been described. These themes are interrelated. It is important to look at the hierarchy among these themes as well as the connection between them. Looking at the first aspect “the behaviour an entrepreneurial leader might show in order to influence employees’ behaviour concerning sustainability”, two categories have been identified. Firstly, the category including the themes correction of behaviour, role model behaviour, raising awareness and giving support which have a direct effect on employees’ sustainable behaviour. Secondly, the category consisting of the themes granting autonomy, analysing competitors and stimulating responsibility as well as ownership in employees which have an effect on the entrepreneurial behaviour of employees, which again has an influence on their sustainable behaviour. It seems that theme 1 (Correction of behaviour) and theme 2 (Role model behaviour) are closely connected. This is because employees are more likely to adopt sustainable behaviour when it is corrected by entrepreneurial leaders who show the right (here sustainable) behaviour themselves. If the entrepreneurial leader behaves unsustainably by for example wasting paper followers are less likely to understand the need of behaving sustainably when being corrected by the entrepreneurial leader. A similar relationship can be explored when looking at theme 2 (Role model behaviour) and theme 3 (raising awareness). If entrepreneurial leaders strengthen the importance of sustainability by raising awareness of the topic towards employees, but do themselves not show sustainable behaviour employees will not take the importance seriously. Accordingly, the entrepreneurial leader’s support for sustainable project design and sustainable workplace design towards employees is asks for a sustainable behaviour from sustainable leaders thus a role model behaviour. Due to the aforementioned relationships one can say that role model behaviour of entrepreneurial leaders represents the basis for stimulating employees to behave sustainably while correction of behaviour and raising awareness can be used to support role model behaviour.

One can assume that there is a positive relationship between the moderating variable “Entrepreneurial leader” and “employee” which means that the more role model behaviour, correction of behaviour, support, awareness, autonomy, responsibility & ownership entrepreneurial leaders stimulate and the more employees learn from competitors the higher is their degree of motivation & commitment, learning, creativity or feeling of

being overtaxed. This again could have a positive relationship with the sustainable behaviour of employees. The more motivated, committed, creative or overtaxed they are as well the more they learn accordingly increases or decreases the employees’ sustainable behaviour. However, these are hypotheses which need to be tested in a further study.

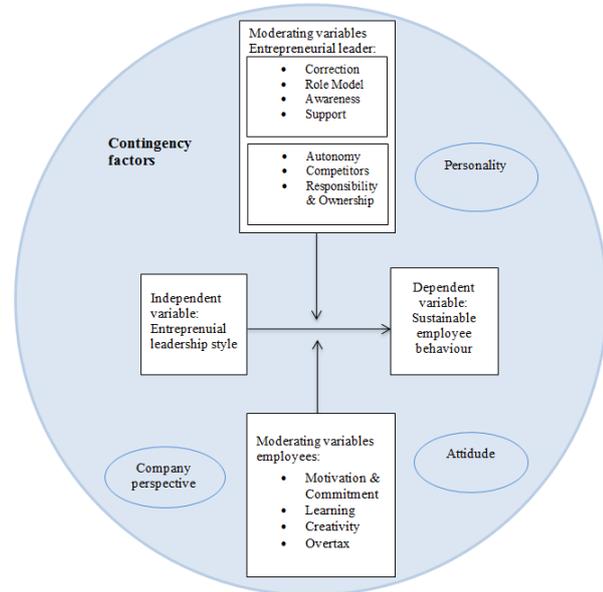
In the interviews it was mentioned that not only the entrepreneurial leadership style itself determines employees’ sustainable behaviour. Contingency factors play an important role when looking at the influence on employees’ sustainable behaviour. Company perspective, attitude and personality are therefore the third aspect, called contingency factors concerning the effect of entrepreneurial leadership on employees’ behaviour towards sustainability. It consists of three themes. Theme 1 concerns the organization in general. Theme 2 and 3 are in regard to all variables thus the independent variable “entrepreneurial leadership style”, the dependent variable “employees’ behaviour towards sustainability” as well as both moderating variables “entrepreneurial leader” and “employee”. **Theme 1: Company perspective.** If sustainability is seen as an important topic and therefore on the daily agenda of a business it is more likely that employee ideas concerning sustainability will be implemented. If a topic is not considered as important in an organization it is less likely that employees bring it up during their daily work. Even if an employee would suggest working more sustainably it is less likely that he will be supported by the entrepreneurial leader. **Theme 2: Attitude.** The attitude of the employee needs to be taken into account as well as the attitude of entrepreneurial leaders towards sustainability. An entrepreneurial leader can put a lot of effort in using the leadership style to influence employees’ sustainable behaviour. However, if an employee is not open for these signals or has a strong attitude against sustainability, or the actions it asks, the leader’s effort will be useless. The same applies for employees who are supporters of sustainability. They can be influenced more easily and are likely to be the driver of sustainable behaviour. Accordingly, entrepreneurial leaders will not stimulate sustainable behaviour in employees if they think that the topic of sustainability is trivial. **Theme 3: Personality.** The degree to which persons can be influenced to behave sustainably by the applied leadership style is dependent on their personality. Some employees are open to change and curious for new things for example the implementation for a guideline about sustainable behaviour. On the other hand, there are employees who prefer the way of doing thing they are used to. These employees are more difficult to influence. The same holds true for entrepreneurial leaders, it depends on their personality if they are able to stimulate employees behaving sustainably.

These three contingency variables are related to one another. The company perspective affects employees and entrepreneurial leaders’ attitudes. Accordingly, someone’s attitude is influenced by his personality.

The possibilities of how entrepreneurial leaders can influence employees’ behaviour concerning sustainability can be summarized in a model. The independent variable is the entrepreneurial leadership style. Sustainable employee behaviour is dependent on the applied leadership style. It is therefore the dependent variable. The relationship of these two variables is influenced by three different aspects which contain of 15 themes. On the one hand, the variable “entrepreneurial leader” which describes the behaviour shown towards employees or what is granted towards employees. On the other hand, the variable “employee” plays an important role. This is because the likelihood of showing entrepreneurial behaviour is not only dependent on the entrepreneurial leadership style but

also on the effect it has on the employee. This effect is not the same for every person. Neither entrepreneurial leadership styles are uniform. Both are influenced by contingency factors, as it is displayed in the model.

Model 1: Effect of entrepreneurial leadership on sustainable employee behaviour



5. DISCUSSION

Over the last decades sustainability has become an important topic for businesses which is being demanded and pushed by society. Scholars extensively discussed the implementation of sustainable practices in organization in all three components of the triple bottom line. However the effect of entrepreneurial leadership on employees' sustainable behaviour is not investigated yet. Therefore, this paper dealt with the question of what is the effect of entrepreneurial leadership on the sustainable behaviour of employees.

Earlier in this paper three propositions have been mentioned. The first proposition was that *Entrepreneurial leaders stimulate employees to think of new more sustainable ways of doing things*. This proposition is not supported by the findings as an entrepreneurial leader in general does not necessarily stimulate employees to think of new more sustainable ways of doing things. Therefore this proposition needs to be extended by bringing in the entrepreneurial leader's personal attitude towards sustainability. The updated proposition is: *Entrepreneurial leaders who consider sustainability as important and communicate this attitude stimulate employees to think of new more sustainable ways of doing things*.

The second proposition was that *entrepreneurial leadership causes employees to use company resources in a sustainable manner*. Similarly to the aforementioned proposition this proposition does not necessarily hold true. The results show that the contingency factors company perspective, attitude and personality also play an important role. The updated proposition is: *If the contingency factors company perspective, attitude and personality of employees and leaders support sustainable behaviour entrepreneurial leadership can cause a sustainable treatment of company resources*.

Further it was proposed that *the entrepreneurial leader's personal attitude towards sustainability influences his effect on employees' sustainable behaviour*. The results of the study

support this proposition. The development of the three moderating variables correction, role model and awareness support this proposition. The personal attitude of entrepreneurial leaders determines what they consider as unsustainable behaviour and if they correct it or not. The personal attitude towards sustainability also determines the behaviour of the entrepreneurial leader towards sustainability thus his behaviour as a role model. Finally the personal attitude of entrepreneurial leaders concerning sustainability determines in how far they judge it as important to raise awareness about this topic.

The results of the study gave new insights in the posed propositions. At the beginning of the study it was expected that an entrepreneurial leadership style has a higher influence than other leadership styles on the sustainable behaviour of employees. This was mainly because the characteristics of an entrepreneurial leader seemed stimulating for sustainable behaviour. Closer examination of the topic through interviews did not support that the leadership style is the main aspect influencing sustainable behaviour in employees. If entrepreneurial leaders themselves use an entrepreneurial leadership style as a tool to support a higher sustainable behaviour of employees this leadership style can be very useful. However, here the main component is the intention of the entrepreneurial leader. If the entrepreneurial leader does not support sustainable behaviour, his leadership style does not either.

6. CONCLUSION

In daily life entrepreneurial leaders seek to encourage entrepreneurial behaviour in their employees. With the help of current literature and a critical incident interview question this study aimed to find out how entrepreneurial leaders can stimulate employees' sustainable behaviour. This study has advanced research in entrepreneurial leaderships as well as entrepreneurial leadership related to sustainability in numerous ways. Looking at the results and the literature review at the beginning of this paper clear conclusion can be drawn which leads to the answer of the research question "How can an entrepreneurial leadership style influence the sustainable behaviour of employees?" The model developed in this study, explains how entrepreneurial leaders can influence employees' sustainable behaviour. Stimulation of sustainable behaviour can be done by correcting unsustainable behaviour, showing role model behaviour, giving autonomy, support, responsibility and ownership to employees as well as raising awareness and learning from competitors. The latter one gains importance and strength because sustainable behaviour is more and more asked by society so many companies develop sustainable practices which results in a high number of competitors to learn from. Employees react in different ways to the stimulation of sustainable behaviour by the application of an entrepreneurial leadership style. Employees might react with motivation, commitment, creativity and learning but also giving signals of being overtaxed. The study has shown a dependency on the contingency factors company perspective, as well as attitude and personality of employees and entrepreneurial leaders. Both, the entrepreneurial leadership style applied to stimulate sustainable behaviour and employees being confronted with this leadership style are influenced by these contingency factors.

7. LIMITATIONS AND STRENGTHS

Although this study makes a valuable contribution to the entrepreneurial leadership literature as well as sustainability literature it has limitations. First of all, peer group members asked managers mainly coming from their personal environment and contact they already made before the

interview was conducted. This means a convenience sample of managers that volunteered to participate in this study was selected. This recruitment method might have a negative impact on the generalizability of the results. As this study is based on qualitative research it succeeded in developing new knowledge about the different practice which influences employees' behaviour towards sustainability but it did not give significant results about which practices are most relevant. Another limitation is the execution of the interview questions related to the social performance of the firm. When reading the interview answers it becomes clear that interviewees did not all follow the same procedure. Answers vary from only regarding the people component, only regarding the planet component or regarding both of them. It is not clear if the respondents gave the scripted answer because they choose so themselves which would give insight in the importance of the components or if the interviewer asked further when an answer was given which concerns only one of the aspects. It can be supposed that this lack of incoherence results from different interests of interviewers as not all of them had an interest in getting an elaborate answer on this question.

However, this study had numerous strengths. First, the sample size is relatively high for qualitative data. The qualitative method made it possible to obtain a more detailed picture of the use of entrepreneurial leadership and its relation with the social performance of a firm. Further it allowed new insight in the topic of entrepreneurial leadership and sustainability.

8. FUTURE RESEARCH

The above mentioned limitations offer an agenda for future research. As this study is based on qualitative research, a large-scale follow-up survey could be the next step to gain more knowledge about if entrepreneurial leadership indeed has the proposed connection with employees' behaviour towards sustainability. The analysis of the qualitative data suggests a broad range of entrepreneurial leader practices that play a role in influencing employees behaviour towards sustainability, however which practices are most relevant is not clear yet. As mentioned in the limitations and strengths section above, one limitation were the different interests and prioritizing of questions during the interviews. Even though for a kick-off of research in this topic this study was a good start a follow-up study only concerning the topic of entrepreneurial leadership in relation to sustainability would be very promising concerning the quality of the results. The available data can also be used to find out about contingency links between leadership behaviour and reported answer. A very interesting one to have a closer look at would be to analyse the differences in responses between genders. Further maturation of the research field can be reached by investigating entrepreneurial leaders in a typical social sector and a typical profit-oriented sector and comparing these findings. On top of that, an interesting avenue for future research could be to look at this from the employee side and find out in how far they act sustainable due to their entrepreneurial leader and in how far sustainable behaviour it is pre-set by the values of employees. Thus, in how far is it possible to influence employees in showing sustainable behaviour and in how far is the ability and willingness of doing so determined by other variables.

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11. APPENDIX

11.1 INTERVIEW PROTOCOL ENTREPRENEURIAL LEADERSHIP

Introductory information on the respondent's 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, PRO-ACTIVENESS, 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, pro-active or innovative; or learn from competitors?

!!! → IF QUESTION 2 NOT NECESSARY: EXPLAIN HERE THAT IN THE LITERATURE ENTREPRENEURIAL LEADERSHIP IS CHARACTERIZED BY RISK-TAKING, PRO-ACTIVENESS, 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? To 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 (**planet**)?

Closure of the interview

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

11.2 Respondents sample

	Introductory information industry/products/service	Gender	Age	Function	Experience this position	Total experience managerial position	# direct reports	Type work reports
Interviewee 1	Consultancy	Male	45	CEO	9 years	18 years	75	Consultants
Interviewee 2	Government	Female	40	Bureau Kindschelling & Contable	2 years	5 years	32	auditing, controlling, IT consultancy in the field of housing and everything related to this
Interviewee 3	Housing consultants	Male	50	Co-director	9 years	19 years	10	Finance, managers of building and moving teams
Interviewee 4	Government	Male	63	Project manager Partner (50%) & Co-director	3 years	44 years	9	architects
Interviewee 5	Architecture	Female	30	Manager Group Facilities	8 years	8 years	25	facility management & maintenance
Interviewee 6	Logistic services	Female	50	Networks	3 years	20 years	65	Educational staff for project work
Interviewee 7	Charitable organization	Female	39	Manager of Day-nursery centre and family centre	7 years	8.5 years	11	Educational staff, support staff
Interviewee 8	(Child care) Education	Female	50	family centre	23 years	29 years	30	Broad range of tasks: Operational staff
Interviewee 9	Charitable organization	Male	53	Manager	2 years	30 years	10	(organizing pony camps/activities, taking care of children who are customers, cooking, administrative staff)
Interviewee 10	Franchising	Male	49	Co-CEO	11 years	17 years	4	Property Management, Sales&Marketing, Finance: IT, Technical
Interviewee 11	Metal Industry/Basic Resources	Male	62	CEO	9 years	22 years	20	Customer Support
Interviewee 12	furniture	Male	46	Co-founder and CEO	13 years	~15 years	16	capex, designer, technician
Interviewee 13	Government, criminal justice	Male	50	Deputy Head of Institution	0.5 years	12.5 years	80	care, treatment and supervision of prisoners
Interviewee 14	social service (care)	Male	50	Chairman, CEO	2 years	~21 years	6	leaders of the different departments (e.g. HR, finance)
Interviewee 15	electricity, gas, energy services	Male	39	General manager	3.5 years	3.5 years	11	Procurement and sales management internally and externally
Interviewee 16	Energy (electricity, gas)	Male	54	CEO	5 years	12 years	120	training and coaching, development of employees, project leading
Interviewee 17	Insurance company	Female	33	HR Manager	3 years	5 years	9	Allround catering
Interviewee 18	Catering Industry	Male	27	Owner and Head of operations	2.5 Years	2.5 Years	18	Administrative jobs on a social and legal level
Interviewee 19	Social service	Male	31	Team Manager	5 Years	8 Years	30	Call center functions
Interviewee 20	contact center, call center facility	Male	28	Team Leader	2.5 Years	2.5 Years	17	sales, market development, marketing, strategy, business development
Interviewee 21	Service provider	Male	57	CEO	10 Years	23 Years	300	accounting, HR, consultants, production
Interviewee 22	paper processing	Male	20	Junior Chief	1.5 Years	1.5 Years	150	Production
Interviewee 23	Entertainment, events	male	25	Founder	3 years	5.3 years	9	webdesign, marketing, flyers
Interviewee 24	marketing	male	50	Owner	20 years	20 years	4	
Interviewee 25	products	male	50		10 years	25 years	13	