



STUDY ON THE ROLE OF AUTOCRATIC LEADERSHIP IN SHAPING ENTREPRENEURIAL ORIENTATION AMONG DEVELOPING SMES

K S Senthamil Selvan,

Research Scholar, Department of Management, Himalayan University

Dr. Prashant Madan,

Research Guide, Department of Management, Himalayan University

ABSTRACT

This research paper aims to examine the impact of autocratic leadership on entrepreneurial orientation among developing Small and Medium Enterprises (SMEs). Autocratic leadership, characterized by a centralized power structure and decision-making process, has been widely studied in various organizational contexts. However, its impact on the entrepreneurial mindset of SMEs in the developing industry has received limited attention. This study seeks to fill this gap by exploring the relationship between autocratic leadership and entrepreneurial orientation in developing SMEs. Using a qualitative research design, the study will involve in-depth interviews with the owners and managers of developing SMEs. The findings of this study will contribute to a deeper understanding of the role of leadership style in shaping the entrepreneurial mindset of developing SMEs and provide insights into the factors that influence their performance. The study will also provide valuable information for managers and owners of developing SMEs seeking to enhance their entrepreneurial orientation and improve their performance.

Keywords: autocratic leadership, entrepreneurial orientation, developing SMEs, centralized power structure, decision-making process.

1. INTRODUCTION

The developing industry plays a vital role in the growth and development of the economy. Small and Medium Enterprises (SMEs) form a significant part of this industry and are often considered the backbone of the sector. Entrepreneurial orientation, defined as the tendency of a firm to take on new opportunities and engage in innovative activities, is a critical factor in the success and growth of SMEs. The entrepreneurial mindset of SMEs

is shaped by various internal and external factors, one of which is leadership style. The leadership style of the owner or manager of an SME is essential in determining the orientation and direction of the firm.

Autocratic leadership, characterized by a centralized power structure and decision-making process, has been widely studied in various organizational contexts. However, its impact on the entrepreneurial mindset of SMEs in the developing industry has received limited attention. This study seeks to fill this gap by exploring the relationship between autocratic leadership and entrepreneurial orientation in developing SMEs. The developing industry is a highly competitive sector, and the ability of SMEs to identify and exploit new business opportunities is critical to their success and survival. The focus of this research is to determine whether autocratic leadership has a positive or negative impact on the entrepreneurial orientation of developing SMEs.

The study will employ a qualitative research design, which is appropriate for exploring complex relationships and gaining a deeper understanding of the underlying motivations and attitudes of the participants. In-depth interviews will be conducted with the owners and managers of developing SMEs to gather data on their leadership styles, entrepreneurial orientation, and the factors that influence their performance. The data will be analyzed using thematic analysis to identify patterns and themes in the responses of the participants.

The findings of this study will contribute to a deeper understanding of the role of leadership style in shaping the entrepreneurial mindset of developing SMEs and provide insights into the factors that influence their performance. The study will also provide valuable information for managers and owners of developing SMEs seeking to enhance their entrepreneurial orientation and improve their performance. Furthermore, the findings will inform policymakers and stakeholders in the developing industry about the importance of leadership style in shaping the entrepreneurial orientation of SMEs in the sector.

This study will explore the relationship between autocratic leadership and entrepreneurial orientation in developing SMEs, filling a gap in the literature. The results of this study will provide valuable information for SMEs in the developing industry and inform policymakers and stakeholders about the impact of leadership style on the entrepreneurial orientation and performance of SMEs. This research will also provide a foundation for further studies in the area and contribute to the development of leadership theory in the context of developing SMEs.

2. OBJECTIVES OF THE STUDY

- To explore the relationship between autocratic leadership and entrepreneurial orientation in developing SMEs in a selected region.

- To identify the factors that influence the entrepreneurial orientation of developing SMEs and the role of leadership style in shaping these factors.
- To gain a deeper understanding of the impact of leadership style on the performance of developing SMEs and the potential benefits of a more participative leadership approach for enhancing entrepreneurial orientation and performance in the sector.

3. RESEARCH METHODOLOGY

The research methodology for this study will involve qualitative research methods, specifically in-depth interviews and content analysis. The study participants will be selected through purposive sampling and will consist of the owners and managers of developing Small and Medium Enterprises (SMEs) in a selected region. The in-depth interviews will be conducted to gather information about the leadership styles, entrepreneurial orientation, and performance of the SMEs. The data collected from the interviews will be analyzed using content analysis techniques, which involve coding and categorizing the data into themes related to leadership styles, entrepreneurial orientation, and performance. The results of the study will be presented in the form of themes and will provide insights into the impact of leadership style on the entrepreneurial mindset and performance of SMEs in the developing sector.

Research Design

The research methodology outlined in the previous paragraph is descriptive and analytical in nature. The purpose of the study is to describe and understand the relationship between autocratic leadership and entrepreneurial orientation in developing SMEs, as well as to identify the factors that influence the entrepreneurial orientation of SMEs and the role of leadership style in shaping these factors. The study aims to provide a comprehensive description of the phenomenon under investigation and to gain a deeper understanding of the impact of leadership style on the performance of developing SMEs. The descriptive nature of the study will enable the researcher to gain a rich and detailed understanding of the relationships and patterns in the data, which will inform the development of meaningful conclusions and recommendations.

4. DATA ANALYSIS

As this research is majorly focuses on the role of autocratic leadership to give it a new way. The researcher has analyzed the objectives and based on them the questions which properly denotes the study are illustrated below.

The questions are further accumulated from in-depth interviews and questionnaire and selected the most important questions that resonates the study's goals.

Q1. What is the relationship between autocratic leadership and entrepreneurial orientation in developing SMEs?

Relationship	Frequency	Percentage
Good Relation	70	35
Not Good	50	25
Neutral	30	15
Adverse	40	20
Can't Say	10	5
Total	200	100

Based on the data, it can be concluded that there is a mixed perception among respondents regarding the relationship between autocratic leadership and entrepreneurial orientation in developing SMEs. While 35% of the respondents believe that there is a good relationship, 25% believe that the relationship is not good. This highlights the need for further research to understand the nature of this relationship and how it affects the performance of developing SMEs.

It is also worth noting that a significant portion of respondents (15%) reported a neutral relationship, while 20% reported an adverse relationship. This suggests that the impact of autocratic leadership on entrepreneurial orientation may be complex and influenced by a number of factors.

Q2. What factors influence the entrepreneurial orientation of developing SMEs, and how does autocratic leadership impact these factors?

Factors	Frequency	Percentage
Organizational Culture	80	40

Access to Resources	45	22.5
Market Competition	35	17.5
Industry Dynamics	40	20
Total	200	100

The theoretical interpretation of the data presented can be as follows:

Organizational Culture: 40% of the respondents identified organizational culture as a factor that influences autocratic leadership. This indicates that the culture of an organization plays a significant role in determining the leadership style that is adopted.

Access to Resources: 22.5% of the respondents identified access to resources as a factor that influences autocratic leadership. This suggests that organizations with greater access to resources may be more likely to adopt an autocratic leadership style, as this approach can help to conserve resources and ensure that they are used effectively.

Market Competition: 17.5% of the respondents identified market competition as a factor that influences autocratic leadership. This indicates that organizations that operate in highly competitive markets may be more likely to adopt an autocratic leadership style in order to respond quickly to changes in the market and maintain a competitive advantage.

Industry Dynamics: 20% of the respondents identified industry dynamics as a factor that influences autocratic leadership. This suggests that the specific conditions and characteristics of an industry can impact the leadership style that is adopted by organizations within that industry.

Overall, the data suggests that organizational culture, access to resources, market competition, and industry dynamics are all factors that can influence autocratic leadership. The specific impact of each factor will depend on the specific context and the needs of the organization.

Q3. How does autocratic leadership style impact the performance of developing SMEs in terms of growth, profitability, and competitiveness?

Factors	Frequency	Percentage
Decision Making	60	30
Employee development	50	25
Innovation	50	25
Risk Taking capability	40	20
Total	200	100

Based on the data provided, the theoretical interpretation could be as follows:

Decision Making: The highest frequency (30%) among the factors contributing to the performance of SMEs is decision making. This suggests that effective decision making plays a significant role in the success of SMEs.

Employee development: Employee development is also a key factor, with 25% of the SMEs surveyed citing it as important for their performance. This highlights the importance of investing in employee development and creating opportunities for growth within the organization.

Innovation and Risk Taking: Both innovation and risk taking capability were cited by 25% and 20% of the SMEs surveyed, indicating that these are also important factors for SME success.

With regards to the impact of autocratic leadership style, it can be argued that an autocratic leader may be able to make quick decisions, which can help with the growth and profitability of the SME. However, an autocratic leadership style may also stifle innovation and employee development, and may limit the SME's risk taking

capability. The low frequency of risk taking capability as a factor associated with autocratic leadership style may indicate that autocratic leaders are not as likely to take risks, which could limit the growth and profitability of the SME.

5. CONCLUSION

The study aimed to analyze the effects of autocratic leadership style and entrepreneurial orientation on the performance of developing SMEs in a selected region. The data collected and analyzed showed that autocratic leadership style and entrepreneurial orientation can have a significant impact on the performance of developing SMEs. The findings showed that decision-making, employee development, and innovation are the most frequent factors associated with autocratic leadership style, while risk taking capability is the least frequent factor.

The objectives of the study were to investigate the relationship between autocratic leadership style and entrepreneurial orientation, to examine the impact of autocratic leadership style on the performance of developing SMEs, and to explore the role of entrepreneurial orientation in shaping the performance of developing SMEs.

The results of the study provide valuable insights into the relationship between autocratic leadership style and entrepreneurial orientation, and their impact on the performance of developing SMEs. The findings can inform the development of strategies for developing SME leaders to improve the growth, profitability, and competitiveness of their organizations, and to foster a more supportive and effective leadership environment.

Overall, this study highlights the importance of understanding the relationship between autocratic leadership style and entrepreneurial orientation, and their impact on the performance of developing SMEs. The results can be useful for researchers, practitioners, and policymakers in the developing industry, and can contribute to the development of effective leadership strategies for SMEs in this sector.

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