Communication as the Mainstay of Entrepreneurial Leadership: A Conceptual Framework

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COMMUNICATION AS THE MAINSTAY OF ENTREPRENEURIAL LEADERSHIP: A CONCEPTUAL FRAMEWORK

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ABSTRACT

Leadership and entrepreneurship, despite being discrete concepts, have to coalesce for sure success of any venture. Communicative ability, nevertheless, is critically crucial for a leader to build successful enterprise. It thus becomes imperative to understand the symbiotic relationship obtaining within this triumvirate namely communication, leadership and entrepreneurship. This paper views this relationship as communicative entrepreneurial leadership on the basis of critical survey of studies conducted by scholars concerning these areas. There have only been few and sparse studies available on entrepreneurial leadership with communication as their locus. This paper is conceptual and aims at positing that communication skills are the mainstay lending meaning to entrepreneurial leadership. We believe that it will contribute to growing field of integrated approaches to theorise communicative entrepreneurial leadership particularly when this domain is relatively fresh and demands concerted effort to present a viable conceptual framework blending entrepreneurship, communication and leadership.

Keywords: Communication, Entrepreneurship, Leadership, Communicative Leadership, Communicative Entrepreneurial Leadership

INTRODUCTION

With each passing day, global market is becoming competitive, complex as well as demanding. Alongside providing innumerable opportunities, rapidly changing market conditions have also thrown up challenges not only to well-established business enterprises/ ventures but also to ones that are newly established. In such a challenging scenario, real test for entrepreneurial leaders' concerns providing
leadership in a manner that business ventures/enterprises become more sustainably successful thereby maximizing profit of various stakeholders.

The term 'leadership' signifies ability to lead via guiding, motivating and inspiring others in a business organization to achieve objectives that a leader sets up with careful consideration remaining mindful of rapidly changing business environs (Barret 2006). Entrepreneurial leadership comprises ability to promote, support and sustain a business venture by taking risk, if need be. Theorists such as Swiercz and Lydon (2002) attribute qualities such as integrity, self-control, ability to utilize external resources for creating sustainability, alongside functional competencies in operations, finance, marketing and HR to entrepreneurial leadership. Morand (2001), however, underscores “emotional intelligence” as intrinsic to entrepreneurial leadership. Other key competencies for entrepreneurial leadership comprise efficiency, morale-boosting, commitment, adaptability, innovativeness (Petrick et al 1999), along with team-building skills to inspire and mould (Bandura 1970) since all these not only combine to effect intricate inner processes within business ventures but also to resolve them on sustainable bases.

Entrepreneurial leaders perform architectural and charismatic roles to ensure that the organization has a clearer vision. Intellectual stimulation and creativity are critical for entrepreneurial leadership (Gupta, MacMillan and Surie 2004). Successful organisations have entrepreneurial leadership as their hallmark ensuring creation and maintenance of entrepreneurial behaviour (Thompson 1999). To find newer ways, the entrepreneurial leadership of a business organization/establishment has to take certain risks at crucial moments via seizing opportunities, taking path-breaking decisions/steps thereby adding value (Thompson 1999) to task at hand. Thus, entrepreneurial leadership is a much needed and an efficacious style of leadership (Cohen 2004; Fernald, Solomon and Tarabishy 2005). In view of studies mentioned above, one can arguably aver that each of the above observations zeroes in on two competencies viz. ability to lead and take risk (Kumar, 2012; Kuhn and Weinberger 2005). Nevertheless, one may also notice how communicative ability that forms the core of each competency remains ignored all through.

Therefore, the basic premise of this paper is to study how communication acts as the mainstay to build future entrepreneurial, or any kind of leadership, per se. Our assumption is that effectiveness and success of entrepreneurial leadership primarily depends on one's ability to communicate effectively, which is one of the key competencies enumerated above. Axelrod's (2002) observation that effective leadership is mainly a “matter of communication” serves as the take off point for the conceptualization of the notion of entrepreneurial leadership in this paper. It will be followed by delineation of communication as a skill with emphasis on its creative and critical dimensions to demonstrate how these lend a competitive edge to entrepreneurial leadership. Finally, we will take a conceptual overview of communicative leadership a concept that coalesces with entrepreneurial leadership based as it is on communication primarily.

Entrepreneurial leadership has also been defined as “the ability to influence others, to manage resources strategically in order to emphasize both opportunity-seeking and advantage-seeking behaviours” (Ireland and Hitt 2003). An entrepreneurial leader has been defined by Shane (2003) as one “who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods” (Surie and Ashlay 2008). Entrepreneurial leaders intend focus on their goals and accomplishments. As such, entrepreneurial leadership is based on winning hearts of followers sharing common vision and mission. The leader in a way tries to inspire each and every member of his team, and thus motivate them to best of her/his ability with a view to achieve desired objectives. The basic thrust of entrepreneurial leadership remains on taking initiative, assuming responsibilities, foreseeing future, undertaking risk and unfolding an environment which is creativity and innovation driven (Kumar 2012).
Ireland and Hitt (1999) have emphasized five components of entrepreneurial leadership vis-à-vis determining the firm's vision, developing human capital, sustaining an effective organisational culture, establishing balanced organisational control and especially emphasizing ethical practices. Schumpeter (1934) describes an entrepreneur as the one “who is not reluctant to fight back, to succeed, to conquer, all with a joy of creating and of getting things done” (1934). These attributes can be associated with an entrepreneurial leader too as s/he eventually affects performance of her/his employees toward fulfilment of the firm's objectives. In any entrepreneurial business venture, leadership abilities of the entrepreneur play vital role in accomplishing goals, promoting business, ensuring commitment of employees to the job assigned to them via encouraging their proactive and independent approach to quality work (Haleblian and Finkelstein 1993; Hambrick 1994; Finkelstein and Hambrick 1996).

Thus, one may observe as to how communicative dimension of entrepreneurial leadership gets relegated and ignored in the whole conceptualization of entrepreneurial leadership. It will be pertinent at this juncture to focus on studies that privilege communication as the most significant facet of entrepreneurial leadership. To say that entrepreneurial leadership is unimaginable without communication will not be an overstatement. In fact, it is extremely crucial and thus germane to any conceptualization of entrepreneurial leadership.

To be a successful entrepreneurial leader who leads and manages an enterprise successfully well needs variety of skills viz. technical skills, business skills and a whole range of interpersonal skills. Studies have shown that charismatic and human oriented leadership is significantly very communicative” (Vries 2010). There are authors that have researched on variety of skills of successful entrepreneurial leaders and have emphasized that communication is “central to leadership” (Awamleh and Gardner 1999). As a matter of fact, precise and structured communication is regarded as an important and indispensable facet for the success of an entrepreneur.

Having a leader who radiates energy with clear words of wisdom leaves profound and strong impact on his co-workers: “The ability to get along to communicate effectively with others comprises a set of skills long deemed central to the task of management. Such social or people skills have been variously referred to as 'leader consideration' as a social emotional orientation” (Fleishman 1957). Interpersonal communicative ability of an entrepreneur to establish warm, empathetic and mutually trusting relationship with the task force plays an important role in the success of an enterprise. In several top-notch companies like Infosys, most of the leaders exhibit rare entrepreneurial leadership abilities through which they not only lead from outside but also establish lasting professional rapport with their colleagues to ensure success in their business ventures. Most of interpersonal competencies remain pivotal to management, leadership and entrepreneurship. There are researchers who consider emotional intelligence essential for leading men in a winsome and inspiring manner to ensure success of an enterprise: “The ability to recognise emotional expressions of others, that is the ability to sense emotional states is a skill central to the whole notion of interpersonal communication competency” (Shane 2003).

Despite various attributes of leadership as enumerated above, researchers now agree that no single set of traits can alone provide effective leadership; communication skills along with interpersonal ones are indubitably crucial for an entrepreneurial leader to lead successfully. As observed, communication as a key competency has been eluding critical attention and therefore emerges as an imperative for any kind of future entrepreneurial leadership. To be a successful leader in today's business environment, perfect vision and mission would not suffice as one has to go much beyond into an arena where everything being planned/ executed alongside its tangibly/ intangibly expected results has to be transparently and effectively communicated to/ shared with all the stakeholders. Until this happens, no business venture may prosper in a sustained manner.
COMMUNICATION: ITS CRITICAL AND CREATIVE DIMENSIONS

Communication being mainstay of extremely relevant to entrepreneurial leadership, it would be important to understand what the term 'communication' signifies. It has been derived from Latin root communicare signifying to 'share, 'communicate,' 'impart,' 'inform,' 'unite,' 'participate in,' and 'divide out' (Online Etymology Dictionary). Communication means to 'make common' something that can be commonly/mutually made understandable. It is a must to make sense of the world around us as also to convey sense vis-à-vis what we think, perceive, sense, feel, observe and do to others as well as to our own selves. It enables us to share our sorrow, happiness alongside vast variety of experiences. It can be verbal as well as non-verbal in the sense that our gestures, expressions and our body language have a lot to convey without taking recourse to linguistic signifiers.

Communication is a two-way process involving the speaker (who articulates/conveys the message) and the listener (who receives it) and is supplemented by feedback from the latter thereby imparting communication-process a sense of completeness. At times, communication is misconstrued for merely transmitting information. It limits multi-layered and loaded implications of the term. While communicating, we cannot afford to ignore subtler exchange of our ideas, attitudes, beliefs and impressions as communication presupposes togetherness characterized by shared vision and one goal. And therefore, it not only disseminates information but also enables mutual, transformative growth on the part of the speaker as well as the listener. Communication is transmitting of facts, ideas or opinions, feelings or attitudes to our fellow beings/friends/co-workers. It is a process involving sorting, selecting and conveying information in such a way that the listener is able to understand the same thing in the same sense as the speaker wants her/him to.

In hyper-competitive world of today, communication is viewed as a 'skill'—an ability that one may acquire through knowledge, practice and aptitude to do something effectively and efficiently. In other words, the 'how' of saying something matters more than the 'what' of it. This is where the creative and critical dimensions of communication become crucial. Whereas the term 'creative' pertains to the ability to be innovative, novel, original, different and inventive; 'critical' concerns with our capacity to be discerning, perceptive, analytical as well as penetrating in the process of communication. By and large we may observe both these aspects missing in our exchange of ideas in day-to-day life. Thus, a fair degree of attentiveness is required in the process of communicating one's ideas/thoughts to others.

Interpersonal communication plays an extremely important role in entrepreneurial leadership. Communication is a social process which affects the whole society. It is a tool that helps us bridge gap of information between the conveyer/speaker and the recipient/listener. Communication may be equated with a process by which sender exchanges his ideas, opinions thereby sharing its meaning with the recipient. In a business enterprise, communication assumes the form of an organisational process because several people and group activities are involved therein. As such, in an enterprise, success of business vision depends on how well things are communicated, and also as to how the leader is able to communicate and share it with his team, followers or co-workers. Mintzberg (1973), a renowned theorist has rightly stated that managers spend most of their day remaining engaged in communication as three fourth of their time in a day is spent in it. Likewise, in a business enterprise, the leader's communication with his co-workers plays a significant role and thus has got to be persistent, recurrent and reliable.

To be critical in the process of communication means remaining focused and relentlessly analytical about what is being said along with its implied, inferential and suggested implications. The prerequisite of critical communication is understanding, candour, forthrightness and polite firmness in our articulation. Being critical in communication is also mutual as we also have to allow others to be...
critical thereby lending serious ear to it. The biggest challenge in critical communication is to be able to convey what you want to without ever letting the content of what you say go un-understood/misconstrued.

Researchers have established that leaders possess wide variety of competencies; nevertheless, the ones who are participative and interactive have communicative felicity as they influence and motivate through interactive teamwork. They always strive to contribute towards effectiveness of an enterprise. They take special care and invest a lot in establishing inter-personal relations with their employees thereby caring for their emotional and personal needs. McShane and Glingow have talked about various perspectives of leadership viz., contingency-related, behavioural, implicit, transformational and competency-centred. The major review in 1940’s on finding and exploring traits of leadership behaviours concluded that there are no common traits of successful leaders as “Competencies encompass a broad range of personal characteristics including knowledge, skills, abilities and values”. These authors have divided competencies of effective leaders into seven categories namely emotional intelligence, integrity, drive, leadership motivation, self-confidence, intelligence and knowledge of business. As one may observe, all the perspectives mentioned above on key competencies remain bafflingly silent about communicative aspect of leadership. Researchers have also started emphasizing more on transformational dimension of leadership now: “Leaders create a shared vision and encourage execution towards that vision” (Nilekani). Thus, the transformational aspect of leadership eventually paves way for the leader’s actualization of her/his entrepreneurial potential. It is worth mentioning that at this level, leaders not only lead but also communicate, motivate, inspire and inculcate entrepreneurial abilities in their employees to accomplish their vision.

Many of the top officials of successful companies and their team members have displayed entrepreneurial leadership abilities characterized by innovativeness and creativity and created sustainable enterprises. In today’s world, being a leader just with couple of competencies cannot suffice. In particular, if leaders who possess wide ranging entrepreneurial abilities lack communicative skills, they would not be able to execute their vision and affect change which is germane to transformational leadership. The transformational leaders are entrepreneurs who are willing to take risks in an innovate manner. Envisioning a business enterprise may be viewed in linguistic terms as any vision is language of a sort with a particular end in view. To execute/achieve it, communication becomes the pivot. This implies that any successful entrepreneurial venture has to covertly/ overtly rely on communicative leadership to achieve success on sustainable basis.

COMMUNICATIVE LEADERSHIP

As evident on the basis of foregoing discussion, communication is the locus of successful entrepreneurial behaviour; it will be pertinent to discuss eight principles of communicative leadership as propounded by Johansson, Miller and Hamrin in their insightful paper on “Conceptualizing Communicative Leadership” (2013). For instance, the communicative leaders guide their employees to be self-managing thereby ensuring that the required infrastructure is provided to facilitate the work/tasks assigned to them. They also arouse expectations of their employees and make sure that all of them are fulfilled well before time so that they may stay motivated. More, their personal demeanour stands out as it remains worth emulating on account of their being easily approachable/accessible. They are respectful toward each employee of theirs including the one sitting at the lowest rung in the organizational hierarchy, and have tremendous concern for them. Communicative leaders follow problem-solving approach which they are able to effect with the help of the employees’ feedback which they keep collecting from time to time. They lead from the front and thus pave the way of their co-
workers/task-force even via assisting them, if the need be, in achieving their goals. In particular, communicative leaders actively engage in framing of messages as they understand how vital language of communication is and how critical is the sense that needs to be conveyed through language use. They are equally cautious even about organizing events as they leave nothing to chance.

Based on the principles that Johansson, Miller and Hamrin have expounded, one may observe that communicative leader is the one who engages employees in dialogue actively and incessantly, and shares his vision with them via seriously heeding their feedback, and encouraging stakeholder's participation in decision making by remaining genuinely open and involved at every juncture. Thus, through an exhaustive review of literature on the behaviour of communicative leaders as carried out above, an effort has been made to create a theoretical foundation for communicative leadership. This paper is a modest attempt to link communicative leadership with entrepreneurial leadership so that budding entrepreneurs may improve upon their communication skills/abilities to be able to convey their vision to their employees to succeed in launching successful and sustainable business enterprise.

As stated, ultimate success of an enterprise would depend on the entrepreneur's ability to strategically position and purpose a business venture in the market and effectively communicate its vision to all stakeholders with the help of all his skills, knowledge, belief and competencies. The concepts of leadership, entrepreneurship and communication, in fact, coalesce after a point. Success of an enterprise/business venture depends on a meaningful blend of all three of the above conceptual constructs more than anything else. Identifying the need in the market or deficiency in an unsuccessful business venture, and then offering a solution via ensuring future success require abilities such as leadership, entrepreneurship and communication to come together and effect required change.

It is important to put an idea into action for accomplishing success; nevertheless, giving it shape largely depends on communicative entrepreneurial leadership. Leading companies the world over exemplify how innovative they have been with the help of strong leadership and vision to ensure success. The entrepreneurial leadership strives to create a winning team which follows a clear vision which is common and every team member is highly inspired, enthusiastic and motivated to translate entrepreneurship for achievement of organizational goals along with the interest of all associated stakeholders” (Kumar 2012). Thus, entrepreneurial leadership fundamentally depends on unfolding a new idea/vision which the team of employees strives to achieve. This is not feasible until it is communicated well to all concerned. Inculcating winning attitude, courage and motivation into the team plays an important role in achieving entrepreneurial goals. For this, communication skills become critical. The entrepreneurial leader needs to be communicative, and effectively so, to be able to convey his vision to the team so that it becomes a shared vision and the team, a winning one. It has been observed by various theorists, management practitioners and management gurus that best leaders of the world empower their employees to actualize their visions as it is possible only through inspiring, energizing and assuring them.

Nevertheless, no enterprise can succeed merely on account of the efforts of an entrepreneurial leader. It is her/his team which plays significant role in helping her/him realise her/his vision which is shared rather than individual-centred. The entrepreneur as a leader must motivate and influence employees to achieve main objectives of the enterprise. The fundamental thing which s/he needs to ensure is building mutual trust and confidence among his employees via communicating with them effectively. To do this, s/he has to remain in constant touch with his employees, which in turn will help her/him establish rapport with them. As such, s/he should be highly committed towards her/his team and must ensure that
proper communication channels remain open as well as alive come what may. The trust so built will help employees confide in/trust their leader. This will certainly result in higher level of commitment and deeper degrees of satisfaction among her/his team members.

Effective communication thus is most significant and essential among other skills and competencies on the part of a successful entrepreneurial leader. If her/his employees/ team members have doubts about goals/ objectives, they will not be able to focus on their target of achieving success in their enterprise. The entrepreneurial leader must thus act as a role model for her/his employees, support them and lead their path. S/he ought to strive hard to seek self-improvement alongside acquiring knowledge and all relevant skills. Being a consistent learner, he must exhibit an ability to inculcate such tendencies in his followers too.

CONCLUSION

On the basis of foregoing discussion and analytical observations, we would like to conclude via proposing a ten-key-competencies-schema (comprising vision, initiative, persistent learning, creativity and innovation, responsibility, motivation, transparency, risk handling, insight into the market, and goal-orientation) as a pre-requisite for efficient and successful communicative entrepreneurial leadership, which has communication as its locus. Every single key-competency, in fact, would lose its meaning and sheen until it has been sharpened/ shaped up on the anvil of effective communication to eventually achieve a shared vision that serves as the keelson of any successful business venture/ enterprise.

REFERENCES


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