



ENTREPRENEURIAL LEADERSHIP FOR PRIVATE SECTORS EMPLOYEE IN TAMILNADU

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Abstract

The present study focuses upon identifying the determinant of organizational effectiveness with focus on the emerging concept of entrepreneurial leadership. It was hypothesized that executives and non-executives would differ significantly with each other on the variables under study. There would be a significant positive contribution of attributes of entrepreneurial leadership on organizational effectiveness irrespective of organizations' typology. The sample of 150 respondents from both public and private organizations working in the manufacturing sector in Tamilnadu participated in the study. The findings of the study reveal that executives and non-executives of both organizations differ significantly on directed discovery, creative integration of networks and arena building. The quantum of difference in employees of private organizations was low. The findings are important to design interventions on entrepreneurial leadership attributes for enhancing organizational effectiveness.

Keywords

Organizational effectiveness, Entrepreneurial leadership, Creative integration of networks

INTRODUCTION

The emergence of globalization and liberalization has led to changes in the functioning of various organizations. It has not only led to severe competition among organizations rather it has made the organization's life span shorter. In order to extend their existence the organizations need to adopt innovations in their work practices to make their processes efficient and effective in the future. These innovations have also led to the growth of newer areas of knowledge management, and information technology management as a tool to succeed and survive. In this context, the role of leaders is critical for success of any organization.

In the changed business scenario where organizations are required to compete globally, benchmarking of organizational practices has also become vital. Organizational survival requires not only meeting but also setting global standards. Organizations, therefore have to react fast to learn from their experiences and aim towards achieving world - class excellence through constant learning and innovation. The above business environment challenge propels us to understand the criteria of organizational success and excellence.

LITERATURE REVIEW

Leadership Style: Most of the leadership researches for the past several decades have defined leadership as the ability of the person to influence another group without using force towards the achievement of goals. The leadership studies began with Ohio and Michigan research in 1930's. In last two decades, typology of leadership evolved into transformational and later into visionary leadership.

Beginning of 21st century shifted its focus on entrepreneurial leadership (EL) with opening of world economy and ensuing challenges (Coglister and Bringham, 2004; Ireland, Hitt and Sirmon, 2003; Research on EL began with Cunningham and Lischeron (1991) who posited that EL involves setting clear goals, creating opportunities, empowering people, preserving organizational intimacy, and developing HR systems.

The second dimension of entrepreneurial leadership is creative integration, organizing and optimally utilizing human, as well as, non-human resources for achieving the targets / goals. This effort leads to reducing the temporal or spatial inefficiencies, thereby adding value to the organizations (Shane and Venkataraman, 2000). There are two basic elements to account for it. One is, 'defining gravity' that is based on the intellectual stimulation, enthusiasm, positive attitude, and integration. Hence, it is important to specify the real limiting constraints. The other is 'path clearing', is like removing the roadblock from the way for success of their people through improvement orientation, encouragement and team orientation.

The third dimension of entrepreneurial leadership is arena building wherein the leader has to focus on the new product development or searching new avenues for their organization. This has been emphasized by Schumpeter (1934) as innovative role of an entrepreneur in discovering new business opportunities. It is captured through self-reliance, risk taking and self-interest within the leader.

Later studies, explained EL where leader is good at identification of opportunities (Chen, 2007; Kuratko, 2007; risk taking beyond security (Kuratko, 2007); sustaining innovation and adaptation in high velocity and uncertain environment (Surie and Ashley, 2008).

The Goals of the present study

- a) To investigate whether any significant difference exists between the executives and non-executives of manufacturing industries with respect to entrepreneurial leadership style, and organizational effectiveness.
- b) To assess relationship between entrepreneurial leadership style and organizational effectiveness.

HYPOTHESES

The following hypotheses were formulated:

- a) There would be significant difference between the executives and non-executives on their perception of entrepreneurial leadership style and organizational effectiveness.
- b) There would be a positive relationship between entrepreneurial leadership style and organizational effectiveness.

METHOD

Sample Selection

One hundred and fifty executives and non-executives from both private organizations in manufacturing sector in Tamil Nadu were selected as respondents for the present study using stratified random.

Sampling Technique.

Research Tools

For understanding, the variables under study following tools were used:

- a) Entrepreneurial Leadership Style Inventory.
- b) Organizational Effectiveness Inventory.

RESULTS

1. The significant difference on various dimensions of entrepreneurial leadership style, work culture, empowerment, and organizational effectiveness between types of employees (executives and non-executives category) of public sector organizations at 0.05 level of significance and below. The non-executives' scores were comparatively higher than executives were. They perceived higher degree of creative integration. Similarly, executives and non-executives differ only on their perception of existence of entrepreneurial leadership style in their superior.

2. The significant difference on organizational effectiveness between types of employees (executives and non-executives category) of private sector organizations at 0.05 level of significance. The non-executives' scores were comparatively higher than executives. They perceived higher degree on entrepreneurial leadership of their superiors, whereas executives were high on perceiving organizational effectiveness.

3. The significant difference on various dimensions of entrepreneurial leadership between public and private sector organizations at $p < 0.05$ level of significance and below. The private sector employees scored comparatively higher than the public sector employees on directed discovery and creative integration. They perceived higher degree of creative integration and discovering new and innovative thinking of their superiors. The private sector employees also perceive higher entrepreneurial leadership style in their superiors.

4. Shows that relationship between organizational effectiveness and dimensions of entrepreneurial leadership for both public and private sector organizations, are positively related with some dimensions of entrepreneurial leadership style which are significant at $p < 0.01$. Although arena building is slightly negatively related in both public ($r = -0.012$) and private ($r = -0.030$) sectors respectively.

Conclusion

Comparison of Types of Employees of Both Public and Private Sector Organizations

In public sector organization, executives and non-executives were found to differ significantly on various dimensions of entrepreneurial leadership style and organizational effectiveness. One of the reasons is, the non-executives are having higher score on perception of an entrepreneurial leadership attributes because they feel that their immediate bosses or departmental heads are more competent than the executives who perceive their bosses as not that competent to deal with emerging challenges. The other reason is, the non-executives are looking in relation to small reference group, while executives may be looking at broader perspectives and horizon. Sometimes it also happens that if their subordinate's rate bosses as good, they may also be considered as good. Therefore, these differences become relative in nature. This is also true for other outcomes on the dimensions of entrepreneurial leadership like directed discovery and creative integration. The executives are feeling motivated and this motivation gets reflected in higher degree of creative integration leading to higher involvement of people in organizing available resources for the

ximum advantage of the organization. The other feature of creative integration is mobilizing people and resources to create network of relationship as well as, helping people in achieving their goals (McGrath and MacMillan, 2000). [37]

This may be true because of the introduction of total quality management concepts in these organizations where the role of every member becomes important specially the non-executives. This contradicts the beliefs of the executives that they will lose their power to the non-executives and will become just the rubber seal for various organizational activities. Public and private sector organizations differ significantly in directed discovery and creative integration dimension of entrepreneurial leadership. These differences are emerging due to the differences in the perception of the employees of private sector organization who view their top management leaders always directed on identifying new ways and means to generate profitability and productivity along with the expanded customer base. This is not the case of public sector organizations under study as they belong to heavy engineering category have identified customers and a focused market driven technology. The other reason that is attributable to this difference is concern for increase in innovation and quality initiatives, with emphasis on reduction of costs. This is possible only if the leader has an entrepreneurial mindset. The present findings corroborate the past research by Gupta et al. (2004) that entrepreneurial leaders must operate in a highly unpredictable atmosphere in which competitive advantage may dissolve anytime.

CONCLUSION AND FUTURE RESEARCH

Based on the above findings, we conclude that organizational effectiveness depends upon entrepreneurial leadership attributes inherent in the work force. In future, this study should be extended to include other organizational variables like organizational citizenship behaviour, culture and structural issues more specifically in Indian context, where the business environment has changed overtime and core competence has become the order of the day. As this study focuses upon the cohort group comparison, it would have been appropriate to conduct longitudinal studies to understand the implications of changes in entrepreneurial leadership style and the way organizations excel.

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