

Transformation of entrepreneurial leadership in the 21st century: prospects for the future

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Abstract The 21st century imposed many challenges on mankind, among them there is a very important problem of entrepreneurial leadership transformation. Entrepreneurship gradual modification under the pressure of factors of innovation, informatization of the environment and the need for socialization of the relations between businessmen and society has led to the need of new understanding of leadership positions. The purpose of this scientific research is to substantiate the style of entrepreneurial leadership, which will become dominant in the 21st century. Analyzing and systematizing the scientific works of many modern scholars by the methods of theoretical synthesis, analysis and synthesis, we have solved the problems of entrepreneurial leadership transformation. The use of the historical and logical method has revealed the relationship between the entrepreneurial leadership development and entrepreneurial types. The study found that the global business environment requires new leaders, whose key competences will meet the needs of society, educational space, ethical requirements, etc. Studying the similarities and differences of various leadership styles has become the basis for the allocation of a new style – the leadership of conscious influence, the main characteristics of which are given in this research. In order to achieve the goals, set by the leader-entrepreneur, it is proposed to systematize the leadership opportunities on tactical and strategic, the factors of influence on their realization in the future are generalized. By the method of scientific and theoretical prediction the portrait of an entrepreneur in a global perspective has been formed. Prospects for further research in this area are the development of a methodology for evaluating the effectiveness of business leaders' actions and systematization of ways to increase their effectiveness in the future.

1 Introduction

Nowadays modern scholars has ever more interest to the problem of entrepreneurial leadership transformation (Rowold and Schlotz 2009; Gumusluoglu and İlsev 2009; Hitt et al. 2010; Moskalenko and Yevsieieva 2015; Renko 2017; Ushakov et al. 2017; Strielkowski and Chigisheva 2018; Białowąs 2018; Bikas and Saponaitė 2018; or Stokes 2018). Such activity is caused, first of all, by the low efficiency of business structures activity (Britchenko et al. 2018; or Naushad et al. 2018), the degree of adaptability of their functioning to environment changes is reduced. However, the formation of such structures is the result of a long process, and to get high adaptive efficiency in the short term is extremely difficult (Kryvoviazuk 2014; Kalyugina et al. 2015; Abrhám et al. 2015; or Kubeš and Rančák 2018). Entrepreneurial leadership, under certain circumstances, begins to play the role of strategic leadership that must rely on knowledge of organizational behavior, IO psychology and strategic management fields (Bonardia et al. 2018). Difficulties in management are also caused by the nature of the objectives of the enterprise (Ruvio et al. 2010). It very complicates the behavior of company executives and the process of developing adequate managerial decisions by them.

At the same time, entrepreneurial leadership also influences on innovation work behavior and opportunity of recognition in high-technology companies (Bagheri 2017; Romanova et al. 2017), realization

of state programs of regional development (Pililian and Moiseeva 2017), development of national economies of the world (Yusof and Jain 2011; Harrison et al. 2018). Its study may also concern Christian entrepreneurial leadership (Goossen and Stevens 2013) and public leadership (Morse et al. 2014). This allows us to assert the impacts versatility and scale that entrepreneurial leadership can have its global impact on economic and social processes.

Entrepreneurial leadership needs to be transformed also due to changes in the views of managers on the management problem and ensuring the efficiency of management. Thus, effective management is considered from the point of view of motivating the subordinates to achieve the goals, in particular, increasing capitalization of the company's property (transactional leadership), or from the point of encouraging subordinates to coordinate their own interests to the company's goals through care for them (transformational leadership) (Burns 1978). The development of management activities will necessarily lead to the emergence of entrepreneurial leaders that will effectively manage in a dynamic market environment. And this will be possible not only due to the creative approach, innovation and stability (Hoque and Baer 2014), but also new features, as well as leadership opportunities that are being formed now and will be discovered in 3-4 years.

2 Entrepreneurship and entrepreneurial leadership: the first decades of the 21st century

Entrepreneurship and the effectiveness of its implementation depend on the actions and efforts of its leaders. The efforts of an entrepreneurial leader in modern conditions are often aimed at creating greater opportunities for making a profit in dynamic markets due to the quick gained knowledge and distributing it within the organization (Tarabishy et al. 2003). At the same time, such leaders can pursue also societal goals (Morse et al. 2014), and social goals (Drayton 2011). Entrepreneurial leadership is gradually becoming a global phenomenon and its understanding allows to improve it (Kuratko 2007), directing efforts to create new characteristics of entrepreneurial leadership. In addition, conducted in the direction of studying the evolution of organization and leadership a number of studies have revealed that the role of leaders has changed significantly from the time of antiquity to our time (Burns 1978; Markham 2012; or Renko 2017).

Thence, if at the beginning of the 20th century the success of entrepreneurial organizations was achieved thanks to the dominance of personal leadership concept, in the middle of the 20th century, the concept of behavioral and situational leadership became widespread, at the end of the 20th century and to the present time, for successful organizations, the implementation of transactional and transformational leadership concepts is typical (Rowold and Schlotz 2009). However, the application of such management styles proved to be imperfect, and today a large number of world-known entrepreneurial organizations have been damaged or lost their market positions, despite the emphasis on principles of Creativity, Innovation, and Sustainability. One example of such companies is Tesla Motors (Smerichevskiy et al. 2018). "Leadership of conscious influence" gradually comes instead of these styles. Figure 1 allows us to see the relationship between the development of entrepreneurial leadership and the types of entrepreneurship in the world.

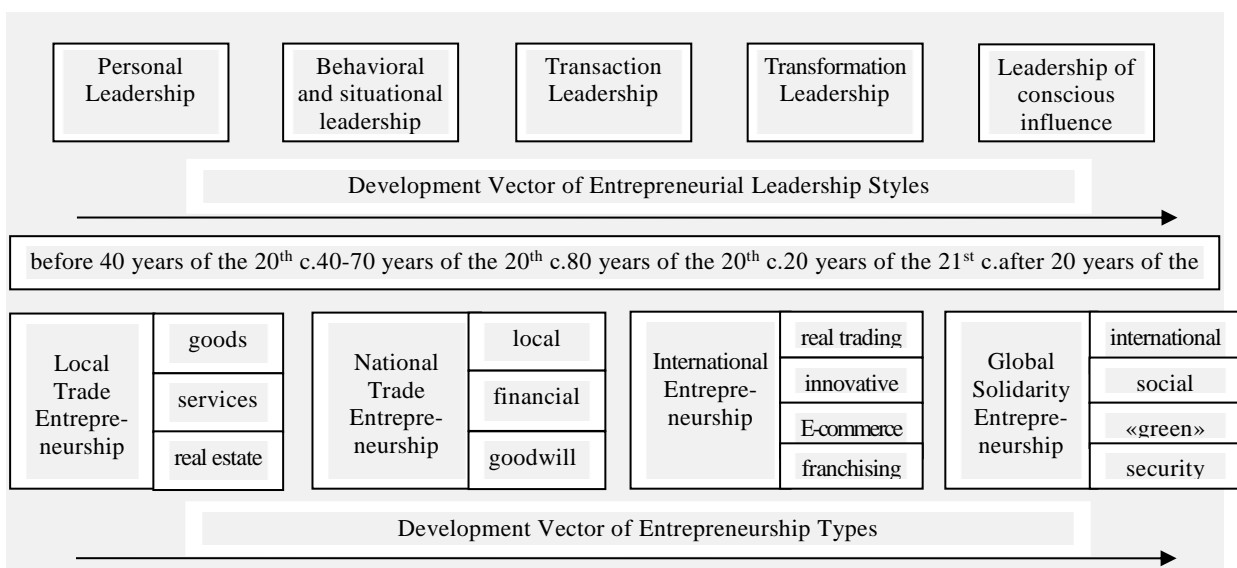


Fig. 1. Relationship between the entrepreneurial leadership development and entrepreneurship types
Source: Own results

The first decades of the 21st century changed the concepts of entrepreneurial leadership leads to the transformation of entrepreneurship as a process and phenomena simultaneously. It is due to the fact that only 13 out of every 100 new business startups can expect to be operating four years after their founding (Harvard Business Review 2015). In practice, it is due to the constant change of the business managers leadership qualities, which is determined by a set of factors that affect the development of entrepreneurship in the world. The most influential among these factors are: physical infrastructure, internal market dynamics, commercial and legal infrastructure, cultural and social norms, entrepreneurship education at post school age, government policies: support and relevance, entrepreneurial finance. However investment, efficiency, and resource utilization are still significant (GERA 2018).

In the process of evolution, entrepreneurship, depending on the scale of its influence, was in several types, from the local trade entrepreneurship, gradually acquiring forms of national trade enterprise that is capable to compete in international markets, has grown into an international entrepreneurship that encompasses several important forms: trade entrepreneurship, innovation entrepreneurship, franchising and E-commerce.

Local business entrepreneurship includes the purchase and sale of goods, services, real estate in the regional markets of a certain country.

National trade entrepreneurship includes the sale and purchase of goods, services, real estate, financial resources in any form (real and financial investments, etc.), intellectual property objects, which become the basis for the formation of goodwill, within the national market of the country. Political regime of the country often determines the pace of such economy development (Volkov 1999).

International business includes export-import of resources (raw materials, capital and people, goods and services), goods (semi-finished and finished assemblies and products), services (accounting, legal counsel, banking, insurance, management consulting, trade service, education, tourism, etc.), knowledge and skills (technologies and innovations, organizational and management skills, intellectual property rights) or information (databases, networks, etc.) (Shenkar et al. 2015; Hill 2013). At the same time, such trade should include the sale and purchase of export-import objects and through the Internet.

Global solidarity entrepreneurship, unlike international entrepreneurship, includes an increase of businesses social responsibility for the results of impact on the environment and society. Except international entrepreneurship, it includes social entrepreneurship, “green” entrepreneurship and entrepreneurship, aimed at ensuring the safety of world's population life.

3 Characteristics of new entrepreneurial leadership

The leadership of conscious influence was scientifically grounded in the work of scientists at the beginning of the 21st century (Haslam et al. 2011) and it is one of the branches of new psychology of leadership based on the need for social identity of leaders, which plays an important role in strengthening their positions and the organization which they represent. (Steffens et al. 2014). Its resemblance to the new psychology of leadership is the need to adhere to the following principles: leaders must be seen as “one of us”, leaders must be seen to “do it for us”, leaders must “craft a sense of us”, leaders must “make us matter” (Haslam et al. 2011). At the same time, the leadership of conscious influence characterizes a number of differences from the new psychology of leadership: leaders must act in the interests of society; the leader's own ambitions must obey the necessary ethical and moral requirements; leadership opportunities should provide opportunities for further development of the economic space; the influence of the leader on the team's actions must be conscious, as well as the impact on society; the leader should not use the acquired knowledge and skills for his own interests or ambitions.

Among the main characteristics of entrepreneurial leadership qualities are the ability to provide communication, a clear vision of achieving the ultimate goal, providing support, self-confidence, sharing success, participating in the case, creating favorable atmosphere in the team, honesty, perseverance, desire to learn (Fernald et al. 2005; Kuratko D 2007; Renko 2017).

Leadership of conscious influence avoids the difficulties of managing international business (differences between countries, a wide range of problems faced by the manager, government regulation restrictions, monetary and financial barriers) due to similarity of problems and ways of their solution in different countries of the world, availability of state support or minimal state intervention in the areas of leadership influence, avoidance of currency and financial obstacles. The leadership of conscious influence is most clearly manifested in the field of social entrepreneurship. The main characteristics of the new style of entrepreneurial leadership should include the following:

- Public interests are above all
- Social identity of the leader
- Conscious perception of goals and means of achieving them

- Ability to work in a team
- Ability to demonstrate leadership qualities
- Ability to evaluate actions according to ethics and morality
- Initiative and activity
- Innovation and creativity
- Volunteering
- Strategic vision
- A broad worldview of social and ecological direction
- Ability to see business opportunities.

The leadership of conscious influence is spreading among the leaders of goodwill, whose actions are aimed at achieving social goals and interests.

4 Leadership capabilities of an entrepreneur in the 21st century

Entrepreneur leadership capabilities in the 21st century should be divided into two groups: tactical and strategic. Tactical leadership capabilities are based on personality-cognitive and interpersonal capabilities. Strategic leadership capabilities provide effective teamwork based on the vision of the development prospects of an entrepreneurial organization.

Geoff et al. (2008) detail leadership capabilities as follows: personal capabilities (being true to one's personal values & ethics, remaining calm under pressure or when things take an unexpected turn, understanding my personal strengths and limitations, energy and passion for L&T, admitting to a learning from my errors), interpersonal capabilities (being transparent and honest in dealings with others, empathizing and working productively with staff and other key players from a wide range of backgrounds), cognitive capabilities (identifying from a mass of information the core issue or opportunity in any situation, making sense of and learning from experience, thinking creatively and laterally, diagnosing the underlying causes of a problem & taking appropriate action to address it), skills and knowledge (being able to organize my work & manage time effectively). Such a distribution points to the importance of taking into account the key aspects of emotional intelligence to increase the efficiency of individual work.

Hitt et al. (2010) emphasize the importance of strategic leadership opportunities. Strategic leaders must: develop and communicate a vision, build dynamic core competencies, emphasize and effectively use human capital, invest in the development of new technologies, engage in valuable strategies, build and maintain an effective organizational culture, develop and implement balanced controls, and engage in ethical practices.

The combination of tactical and strategic leadership capabilities is an important element for ensuring effective leadership. Such form of management will help to accurately determine the direction of entrepreneurial organization development, to focus on achieving the goals set, to develop competitive advantages of the organization, to develop skills and abilities of employees, to use the strategy of raising the value of employees, to balance entrepreneurial opportunities and costs for their implementation.

The realization of the leadership capabilities of an entrepreneur in the future must be based on the need to take into account such key factors as the speed of adaptation to changes in the environment (flexibility and adaptability), the effectiveness of responding to the demands of society (profitability), the ability to use advanced ways to achieve the goals (knowledge and technology).

Perspectives of entrepreneurial leadership will largely depend on the environment, leader's ambitions, his ability to self-development, team building, achievement of goals in combination with the goals of society, in particular satisfaction of secondary and tertiary needs – preserving health, education, and solving environmental problems. The priority of the entrepreneur business skills will be making non-standard solutions, ability to meet the needs of the market environment and attract additional resources for development, demonstration of leadership skills, ability to manage human capital effectively.

5 An entrepreneur portrait: global perspective

Each team of entrepreneurs, realizing the goals and objectives, focuses on leaders in its activity. What should the entrepreneur leader be in the future to provide an effective solution to the problems? The answer is disclosed below.

We are used to see mostly an experienced person as a leader, who is world-famous and captures us with his ideas and ways of implementing them. There are a lot of such entrepreneurs: Bill Gates, Henry Ford, Steve Jobs, Robert Kiosaki, Ray Crick, Jack Welsh, Joyce Chen, Cheng Yang and others. The portraits of some of them are already depicted (Cornelissen 2013). But Halunko et al. (2018) affirm that the modern business leader is a relatively young man under the age of 28, most likely the representative of the United States or Asian

countries, the founder or co-founder of the business structure, who is at the same time its general manager. There are such social problems that they solve: education and training, medicine, information technologies, energy conservation, ecology and environment protection, solving problems of food supply and others. This is a portrait of a modern entrepreneur.

An entrepreneurial leader in the future should focus on solving global problems at the local level. The actions of the entrepreneur of the future should be spread through the global information environment actively using innovations, taking into account the aspect of the socialization of the relations between the entrepreneur and the contact group. Entrepreneurial leaders of conscious influence will act not on the process or phenomenon, but on the reason for reducing their effectiveness. Probably entrepreneurial leaders are getting younger, including women and nationalities, and their significance will grow according to the magnitude of their impact on society. It is expected that the effectiveness of their actions will increase in all spheres – social, economic, environmental, social, etc. Nevertheless, always and everywhere, the most important thing for a business leader will be the ability to work in a team.

6 Conclusions

The problems of transformation of entrepreneurial leadership in the 21st century is caused by the processes of globalization of the entrepreneurial environment, the formation of a new psychology of leadership and the need for strategic leadership.

The evolution of entrepreneurial leadership in the context of the emergence of a global solidarity entrepreneurship became the basis for the emergence of a new style of management – the leadership of conscious influence, which has replaced the transactional and transformational leadership. The outcomes of our research enable us to conclude that leadership of conscious influence has several advantages over the new psychology of leadership and can contribute to avoiding significant difficulties in the management of international business in the future. Its key characteristics determine the social identity of the leader, the conscious perception of the goals and means of achieving them, and the priority of social interests over personal, teamwork skills.

Through the implementation of the tactical and strategic leadership capabilities of an entrepreneur in the 21st century, rapid response to changes in the external environment, reaction efficiency to community demands and the ability to achieve the goals through the use of knowledge and advanced management technologies will be ensured. In the global perspective, the entrepreneurial leader will provide solving global problems of mankind.

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