Leadership Style and Entrepreneurial Leadership among University Students: A Literature Review

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Abstract

In recent years, various leadership techniques and styles have evolved into entrepreneurial practices but the problem of identifying one perfect leadership style compared to others especially on university students in Malaysia still needs to be explored. Therefore, this article aims to identify the types of leadership styles and entrepreneurial leadership among university students. From this article, it is expected to highlight the need for entrepreneurial leadership to improve student leadership by applying the appropriate type of leadership style in the 21st century. The literature review search can also help academics in the field of leadership in developing strategies and training programs targeting leadership and entrepreneurial skills to strengthen human resources in the industrial and education sectors in Malaysia.

Keywords: leadership, leadership style, entrepreneurial leadership, entrepreneurship, higher learning institution, university, student

1. Introduction

The 21st century requires continuity between leadership and entrepreneurship which is a value-added feature that can produce students who are self-disciplined, creative in decision making, have self-confidence and positive thinking. Generally, this article will focus on the literature review search on the types of leadership styles and entrepreneurial tendency among college students. This article will explore two major components: the domain for student leadership style and the entrepreneurial element, with these two domains serving as the study's primary objectives.

Therefore, this article offers theoretical implications in the fields of student leadership and entrepreneurial leadership. Leadership and entrepreneurship are value-added features that can produce students who are self-disciplined, creative in decision making, and have self-confidence and positive thinking.

2. Literature Review

2.1 Leadership

In general, leadership is rarely examined among students in institutions of higher learning, and most studies have focused on the relationship between leadership and employee performance in public organizations and institutions (Ismail & Abiddin, 2009). Khan et al. (2011) examined the leadership styles of educational professionals in institutions of higher learning. Islam et al. (2012) focused their research on the impact of transformational and transactional leadership styles on the entrepreneurial characteristics, motivation, and academic performance of university students; where according to him, today's education requires quality students who have added value to themselves to prepare for future. Leadership has a direct relationship with the success of an organization (Jiang, 2014). Leaders determine the value, crocodile, and motivation of employees individually or in teamwork by forming strategies, including the implementation and the effectiveness of the strategy. Leaders can also influence those around them to mobilize a shared vision (Anderson, 2002). Therefore, leaders play an essential role in driving the development of an organization's performance to meet the desired goals.

Studies on the meaning of leadership and the characteristics of influential leaders remain relevant and still need to be conducted from time to time, taking into account the differences in the context of leaders and leadership. A country is seen as prosperous, developed, and respected because it has a highly skilled leader. Good leaders can guide a work team to provide a high commitment to the tasks that need to be performed and motivate them to work with more dedication (Ibrahim, Hasan, & Hamid, 1993). Therefore, a leader needs to inspire, support, and be a source of encouragement to all members under his leadership to improve organizational performance. The added value that needs to be emphasized in students must meet the marketability characteristics required by the employment sector.

2.2 Leadership Styles

Howell and Costley (2006) stated that leadership styles are frequently based on the nature or

context of the organisation, and that such styles usually change or can be modified based on changes in the environment or even social dynamics of relationships in the organisation. Thus, forms, styles, and leadership methods can be viewed as tools or skills that can be changed or modified to meet the organization's needs, goals, or expectations. Leadership style reflects the approach leaders adopt in influencing and ensuring that specific goals and objectives are achieved (Mandell, 2003).

There are seven styles of leadership:

(1) Charismatic Leadership

Charismatic leadership is an identifiable leadership style but is less pronounced than other leadership styles (Bell, 2013). Most charismatic leaders always tend to have a vision and exhibit a motivated lifestyle to motivate subordinates to achieve the vision.

(2) Transactional Leadership

This leadership style begins with the idea that group members agree to obey their leader when they accept a job. It is a relationship based on the exchange of rewards (especially in the form of salaries or wages) depending on a particular role or task (Bell, 2013).

(3) Transformational Leadership

This leadership style is described as an ongoing process of identifying the mission and objectives of the organization through some changes in the attitudes of the staff of an organization. The first step in this leadership style is for leaders to help all employees understand that every outcome derived from their work is essential. The second step is for leaders to define organizational targets rather than employees. In the last stage, the leader is accepted when he or she can manage the needs of the employees. This leadership style encourages individuals in the group to focus on goals by helping them build a vision and mission in the business (Day, Gu, & Sammons, 2016).

(4) Autocratic Leadership

It is an extreme form of transactional leadership, in which the leader has complete power over his followers. Group members have little opportunity to make recommendations, even if it is in the best interests of the team or organization. Although some studies (Day, Gu, & Sammons, 2016) have criticized and often see autocracy as an unhealthy leadership style and cannot be used in today's modern business context, it is essential to consider some of the benefits or advantages derived from this leadership style.

(5) Democratic Leadership

A democratic leader is a leader who will make the final decision but involves the participation of group members in the decision-making process. They encourage creativity, and the involvement of group members in projects or decision-making is usually very high. The advantage of democratic leadership is that group members tend to have higher levels of job satisfaction and be more productive. This leadership style also helps develop employee skills. Theoretically, although democratic leadership is seen as highly authentic leadership, it

often causes the decision-making process to be slow, and the results obtained usually require more significant effort (Angus-Leppan, Metcalf, & Benn, 2010).

(6) Bureaucratic Leadership

Bureaucratic leaders are leaders focused on making policies that will help entrepreneurs achieve goals. For them, the policy is the impetus for ensuring that a task is completed. Bureaucratic leaders adhere to rules strictly and ensure that their staff follows procedures accurately. Bureaucratic leadership is also helpful in organizations where employees perform routine tasks (Schaefer, 2005).

(7) Laissez-Faire Leadership

Laissez-faire in French means "let," which when used in leadership describes the leader as someone who allows his subordinates to work on their own. Laissez-faire leaders abdicate responsibility and avoid decision-making; they give complete freedom to the team to do their work and set deadlines for their project. In other words, Laissez-faire leaders typically allow their subordinates the power to make decisions about their work (Chaudhry & Javed, 2012).

2.3 Entrepreneurial Leadership

Entrepreneurship is a process by which opportunities to create future goods and services are discovered, evaluated, and exploited while entrepreneurial leadership exists between the intersection of entrepreneurial meanings and leadership. At the same time, entrepreneurial leadership is influencing others to understand and agree on what needs to be done collectively to achieve common objectives (Silva, 2016). The overlap between entrepreneurship and leadership has been studied by several researchers (Hasrul, 2016; Leitch & Volery; 2017). Thus, several characteristics have emerged when these two areas are united, including vision, opportunity focus, influence on followers, planning, motivation to others, achievement orientation, the creativity of leaders and followers, flexibility, patience, perseverance, risk-taking, tolerance, perseverance, confidence self, power orientation, proactiveness and internal loci of control (Renko et al., 2015; Harrison et al., 2018; Engelen et al., 2015).

Specifically, entrepreneurial culture is a system of beliefs and values about how something works by shaping the action of its members based on the arrangement of organizational structure to produce norms of behavior. In turn, the continuity of this entrepreneurial culture can create entrepreneurial leadership. Leadership generally involves organized group activities toward achieving goals. Whereas entrepreneurial leadership is also the process of influencing the performance of group members towards the achievement of organizational goals that can take advantage of entrepreneurial opportunities. Entrepreneurial leadership also involves precise goal setting, creating opportunities, empowering individuals, and controlling organizations by entrepreneurs (Harrison et al., 2018).

Entrepreneurial leadership is essential because individual interests are needed in the entrepreneurial process. The matter is aligned with current research in entrepreneurial leadership, emphasizing entrepreneurial traits such as high confidence and daring to take risks. Thus, this entrepreneurial culture and leadership are closely related to the

entrepreneurial mindset. Next, the entrepreneurial mind is the orientation of the individual dealing with situations, but it is hidden in nature. In the context of strategic entrepreneurship, it is stated that the entrepreneurial mindset can be driven by entrepreneurial culture and leadership (Renko et al., 2015).

Entrepreneurial leadership is conceptually different from other leadership concepts. However, constructively it is still in line with transformational leadership and creativity enhancement leadership. Both of these types of leadership are extensions of entrepreneurial leadership. This entrepreneurial leadership differs from other leadership concepts, yet its construction is still in line with these two leadership styles: transformational leadership and creativity enhancement leadership. Both of these types of leadership are extensions of entrepreneurial leadership. Transformational leadership consists of four components: charismatic role-modeling, individual judgment, motivation, and intellectual stimulation. The following constructs have been widely used in entrepreneurship research (Bass, 1997).

In addition to serving as role models, entrepreneurial leaders need to encourage their followers to achieve entrepreneurial goals. Leaders need to motivate their followers in terms of thinking and act in more innovative ways. One of the reasons leaders need to focus on opportunities is because leaders are the driving force in exploiting new opportunities for an organization. Thus, commitment for each follower is essential in doing what the leader has planned. The job of a leader is also to influence and direct his followers by acting as a role model. Leaders need to have the initiative in introducing innovative goods or services to the market. At the same time, exploitation carries a different meaning, i.e., activities and investments made to obtain returns from new opportunities. Thus, leaders in the context of entrepreneurship need to have the following characteristics so that the opportunities can be used as best as possible. The entrepreneurial vision needs to be clear for the firm's future in the long run. Leaders are also accountable to their followers in interpreting their identity in the company as agents responsible for future success. Entrepreneurial leaders often engage in opportunity-focused activities by influencing their followers in performing entrepreneurial behaviours (Bell, 2013).

Transformational leaders also exhibit characteristics and behaviors similar to entrepreneurial leaders, such as looking for something new and looking for opportunities in the face of risk. Thus, a transformational leader encourages his followers to think of old problems in new ways of solutions and leads to the discovery of new opportunities. This feature is evident as an overlap between entrepreneurial leadership and transformational leadership. There is a difference between entrepreneurial leadership and transformational leadership. Transformational leaders are more aware of their followers' unique needs and abilities, build relationships with their employees, and understand and consider their skills. Whereas entrepreneurial leaders only consider followers who have an entrepreneurial spirit. The key to understanding entrepreneurial leadership is to focus on opportunity-oriented behaviors, whether from the leader or his followers (Perpek et al., 2021).

Although transformational leaders have this element of behavior, their nature is different. In addition, creativity enhancement leadership is also related to entrepreneurial leadership.

Creativity-enhancing leadership means the ability of employees to generate thoughtful ideas, express unique thoughts and make exceptional opportunity breakthroughs. This leadership style suggests that subordinates will be more creative when they assume the closest leader supports their job. Other researchers have also supported the above leadership styles by developing creativity behavior scales that measure leader behaviors such as praising employees' creative work and being aware of their innovations (Renko et al., 2015). These employees' creative work and innovation efforts can commercialize products and services more widely.

Leadership style is a relatively consistent pattern of behavior that characterizes a leader' (DuBrin, 2001). Different leadership styles can affect an organization's level of performance and electives. According to Oladipo et al. (2013), the success or failure of an organization, country, and other social units largely depends on its leadership style. Based on previous studies, leadership styles have been thoroughly researched among the adult population but have not received much attention among adolescents (Montoya and Duncan, 2018).

Academic experts argue that student leadership development should be a priority in helping students form strong leadership identities early (Adams, Kamarudin, & Tan, 2018). A lack of understanding of the relationship between entrepreneurship and leadership creates a need for a new paradigm in explaining this phenomenon (Fernald et al., 2005). He explores the common characteristics of both entrepreneurs and leaders. With university-supported entrepreneurial activities, several essential component factors can play a role in realizing this, such as leadership style (Jauhari et al., 2017).

3. Conclusion

This article will contribute to the continuing research on leadership education in higher learning institutions. This article focuses on student leadership and its interaction with the aspects of entrepreneurial leadership. The literature review findings highlight the need for entrepreneurial leadership to improve student leadership in the twenty-first century by employing the appropriate type of leadership style. Academics in this field of leadership can then develop strategies and training programmes that focus on leadership and entrepreneurial skills. More emphasis should be placed on leadership development in order to strengthen human resources in Malaysia's industrial and educational sectors and contribute significantly to the country's development.

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