

The Relationship between Entrepreneurial Leadership, Entrepreneurial Motivation, and Entrepreneurial Skill

Mohamad Barati

Department of Economics and Management, Islamic Azad University, Naragh branch
<https://orcid.org/0009-0000-5218-919X>

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Abstract

The majority of theoretical models employed for the purpose of studying entrepreneurial performance place significant emphasis on motivation as a fundamental determinant of success in business. Also, having skills can play an important role as a complement to motivation. This study aimed to investigate the effect of entrepreneurial leadership on entrepreneurial motivation and entrepreneurial skill. This study expands knowledge in two ways: uncovering new relationships and replicating some of the important findings previously made in the field of entrepreneurship. The statistical population consisted of 103 employees of an industrial company. The selection of individuals was done through available sampling. The required data were collected through three questionnaires. The Entrepreneurial Leadership Questionnaire, Entrepreneurship Skills Questionnaire, and Entrepreneurship Motivation Questionnaire. The research findings were obtained by the descriptive-correlation method. The results show that entrepreneurial leadership has a positive and significant effect on employee motivation. It can also be said that entrepreneurial leadership has a positive and significant effect on employee skills.

Keywords— *entrepreneurs, entrepreneurial motivation, success elements, entrepreneurial skill, entrepreneurial leadership, leadership behavior*

I. INTRODUCTION

Becoming an entrepreneur is an evolutionary process in which different people at different stages have to choose their path and after discovering opportunities to turn these into a real opportunity, use resources and projects that all depend on their willingness (McKelvie et al., 2020). Also, in confirming the very close relationship between entrepreneurship and motivation, it can be said that a strong motivation is the activities of individuals and the power of entrepreneurship (Abatecola et al., 2022). In entrepreneurship, motivation is the main concept in understanding the entrepreneur's behavior and the process of choosing an entrepreneur. Motivation determines why an entrepreneur pursues a specific entrepreneurial activity (JING, 2022). Entrepreneurial motivation represents a key driving force that shapes and directs the behavior of entrepreneurs in their pursuit of entrepreneurial endeavors (Su et al., 2020). Because experts believe, motivation is what forces a living organism to move and causes it to move (Kah et al., 2022). The factors that influence the motivation of the entrepreneur are expressed most notably in terms of the desire to achieve a good sense of purpose and to

facilitate the growth of the business (Gódnány et al., 2021). Additionally, the utilization of individual abilities, education, knowledge and skills, the management of personal time and abilities, the pursuit of financial gain and the attainment of security and autonomy, rather than being managed by others, are other factors that motivate them (Forson et al., 2021). It is evident that a multitude of factors contribute to the motivation of entrepreneurship (Abecassis-Moedas et al., 2021). This is a significant driving force for many individuals embarking on entrepreneurial endeavors. The pursuit of favorable circumstances, financial gain, excellence, the achievement of objectives and the formulation of a clear vision are among the key motivators (Bush, 2021). The aforementioned theoretical foundations can be elucidated by demonstrating the pivotal role that high motivation plays in the success of the organization and the behavior and trajectory of entrepreneurs (Gaile et al., 2020).

A further factor that contributes to the success of the organization is the presence of entrepreneurial skills (Galvão et al., 2020). The concept of entrepreneurship first emerged in economic theory as a key driver of economic

value creation (Weerawardena et al., 2021). Entrepreneurship is parallel to job creation and business, while employment is one of the effects of entrepreneurship, and entrepreneurship, in addition to business skills, includes other personal skills such as creativity and risk-taking, etc. Considering the importance of entrepreneurial skills in the success of the organization (Shahzad et al., 2021), it can be found that this sector is of great importance in creating a successful business.

In a study conducted on factors affecting entrepreneurial leadership by (Chan et al., 2012), they stated that entrepreneurial motivation entrepreneurial leadership, and entrepreneurial skills have a positive and meaningful relationship with each other. Also, in a study conducted by (Miao et al., 2018), they concluded that when employees of a strong entrepreneurial-led organization work on their team, they will be more influential because entrepreneurial behavior gives employees more motivation and more creative ideas. Entrepreneurial leadership is defined as organizing a group of people to achieve a common goal by using entrepreneurial operational behaviors by risk-taking, innovation, identifying opportunities, and managing change in a dynamic environment. Entrepreneurial leadership is a person with characteristics such as risk-taking, creativity, and an innovative tendency to constantly search for and identify entrepreneurial opportunities (Perotti et al., 2015). By identifying and capitalizing on environmental opportunities, this leader is able to enhance productivity and facilitate organizational growth. From an entrepreneurial perspective, an efficient leader of a business is a person who opens the way to progress with his ideas for the people of the organization so that the whole organization can achieve success (Jardim, 2021). A substantial body of research demonstrates the efficacy of leadership in the context of entrepreneurship. In the current business environment, which is characterized by unpredictability and complexity, the application of conventional or outdated approaches to leadership and organizational structure is unlikely to prove effective in the long term. In such circumstances, the necessity arises for the appointment of a new leadership team to spearhead the entrepreneurial endeavors of the business. In such circumstances, it is necessary to implement a new leadership structure to effectively manage a business characterized by entrepreneurial activity. In another definition of entrepreneurial leadership, it is stated that when entrepreneurs can sell their ideas, they become entrepreneurial leaders (Kuratko, 2007).

Despite the increasing growth of information and entrepreneurship tendencies and increasing the level of governments' support for entrepreneurship activities, it is necessary to conduct extensive and content-based research in this area. The advent of the entrepreneurship era has

brought with it a new set of leadership challenges, including the need for effective participation leadership styles in entrepreneurial endeavors, the management of knowledge within the organizational body, and the fostering of an environment conducive to organizational creativity. (Sawaeen & Ali, 2020). Other studies in this field further explore other aspects of entrepreneurship in organizations such as the Internet and the role of information technology, financing methods, characteristics of entrepreneurs, etc. While the effective role of entrepreneurship leadership in advancing the organization has been less considered.

Considering that the relationship between entrepreneurial leadership and motivation and entrepreneurial skills has not been discussed in this field, current research tries to investigate this issue. This study expands knowledge in two ways: uncovering new relationships and replicating some of the important findings previously made in the field of entrepreneurship.

Chan et al. (2012) in a study entitled *Entrepreneurship and Professionalism and Leadership* concluded that entrepreneurial and leadership motivations have the highest position in job attitudes and those who are primarily motivated for professional jobs have the best job attitudes in entrepreneurship. In another study by A, Eliana et al. (2020) titled "The Role of Motivation in Entrepreneurs' Attitudes and Progress", they concluded that motivation can have a positive and significant impact on attitudes, attitudes can have a positive and significant impact on entrepreneurial progress and as a result, motivation can have a positive and significant impact on entrepreneurial success. Olutadeh et al. (2015) in a study entitled *The Impact of Entrepreneurial Leadership Skills on Employee Motivation and Job Satisfaction* express the importance of the relationship between entrepreneurial leadership and motivation.

As a result, the main hypothesis of this study is based on these three issues:

1. There is a relationship between entrepreneurial leadership and entrepreneurial motivation.
2. There is a relationship between entrepreneurship leadership and entrepreneurship skills.
3. There is a relationship between entrepreneurship leadership and components of entrepreneurship skills (technical skills, management skills, entrepreneurial skills, and personal maturity skills).

II. METHODOLOGY

The research method is descriptive-correlational. The statistical population comprised all employees of

Podrsazan, a powder-maker company that is one of the leading companies in entrepreneurship and one of the most successful companies in this industry. The number of employees of the company was 140, and the Morgan table was used to determine the sample size, which was between 103 and the convenient sampling method, a questionnaire, and the distribution of progress.

Measuring Instruments: The instruments for measuring in this study are the entrepreneurship leadership questionnaires of Davar et al. (2021), Taormina Et al.'s Entrepreneurial Motivation Questionnaire (2007), Smith et al.'s Entrepreneurship Skills Questionnaire (2008).

Entrepreneurship Leadership Questionnaire:

The Entrepreneurial Leadership Questionnaire was designed by Davar et al. (2021). This questionnaire consists of 5 dimensions: guidance, support, coaching, facilitation, and entrepreneurship. Reliability and Validity: The content validity ratio (CVR) was used to measure the validity of the questionnaire. The initial questionnaire has 72 items. Cronbach's alpha was also calculated for reliability. Cronbach's total alpha of the questionnaire was calculated to be 0.913 and for each dimension, it was reported to be above 0.7. Davar et al. (2021) also reported Cronbach's alpha of the questionnaire as 0.9. This questionnaire includes 5 main structures, 13 sub-structures, and 72 items. Scoring with a Likert scale of five degrees was used to measure the score of each item. The score of each structure can also be calculated using the average scores of the items related to that structure.

Entrepreneurship Skills Questionnaire:

This questionnaire was designed by Smith et al. (2008). Reliability and Validity: (Sarmad et al., 2011) In a study (Smith et al., 2008) confirmed the validity of the questionnaire. The reliability of the questionnaire was obtained from Cronbach's alpha method above 0.70. The scoring of this questionnaire is based on the Likert scale.

A Score between 16 and 27: The level of entrepreneurial skills of people is low.

A Score between 27 and 54: The level of entrepreneurial skills of individuals is moderate.

A Score above 54: Entrepreneurial skills are high.

Entrepreneurship Motivation Questionnaire:

This questionnaire was designed by Taormina et al. (2007). Validity and reliability: In the study of Rezaei et al. (2012), a positive and negative correlation was observed between the subscales of the Entrepreneurship Motivation Questionnaire, which indicates the favorable convergent and divergent validity of this questionnaire. Also, the reliability of the questionnaire with its reliability was calculated using Cronbach's alpha measurement method. Usually, the range of Cronbach's alpha reliability coefficient is from zero (0) meaning instability to a positive one (+1) means complete reliability, and the closer the value obtained to a positive number one, the greater the reliability of the questionnaire. Cronbach's alpha for the Entrepreneurship Motivation Questionnaire is 0.80.

- If the scores of the questionnaire are between 11 and 24, the level of entrepreneurial motivation in this society is weak.

- If the scores of the questionnaire are between 24 and 35, the level of entrepreneurial motivation is at a moderate level.

- If the scores are above 35, the level of entrepreneurial motivation is very good.

III. RESULTS

1) Descriptive statistics

Table 1 shows the central indicators and dispersion of research variables as follows Jarque–Bera statistic and its probability level show that the research variables have a normal distribution, so parametric tests are used.

Table 1: The results of Central indicators and dispersions

Variables	mean	standard deviation	minimum	Maximum
entrepreneurial motivation	19.17	3.22	12	25
entrepreneurial skill	11.85	3.17	8	16
management skill	14.65	4.46	9	21
entrepreneurial skill	9.30	1.74	6	12
personal maturity	12.52	1.80	9	15
Entrepreneurship Leadership	157.70	32.67	100	258

Table 2 shows the correlation coefficients for all variables. As expected, entrepreneurial leadership is positively and

meaningfully related to entrepreneurial motivation. In addition, there is a positive and significant relationship

between entrepreneurial leadership and entrepreneurial skill. Also, there is a positive and significant relationship

between entrepreneurship leadership and components of entrepreneurship skills.

Table 2: The results of correlation coefficients

Variables	1	2	3	4	5	6
entrepreneurial motivation	1	0.68**	0.65**	0.63**	0.59**	0.56**
entrepreneurial skill		1	0.62**	0.54**	0.54**	0.48**
management skill			1	0.49**	0.44**	0.38**
entrepreneurial skill				1	0.69**	0.41**
personal maturity					1	0.56**
Entrepreneurship Leadership						1

2) Statistical inference

In addition to examining the relationships between research variables in the form of correlation coefficients, a regression

model was employed to investigate the impact of entrepreneurship leadership on entrepreneurship motivation and entrepreneurial skills. The findings are presented in Tables 3 and 4.

Table 3: The results of the model of the impact of entrepreneurial leadership on entrepreneurial motivation

Collinearity test		T-Test		Regression coefficients		Variables
VIF	Tolerance	Sig	T	Beta	B	
--	--	0.001	7.59	--	10.33	constant
1	1	0.001	6.94	0.56	0.05	entrepreneurial leadership
Adjusted R-squared				RS	R	Summary of the model
0.31				0.32	0.56	
Durbin-Watson Test				Sig	F	ANOVA
2.54				0.001	48.16	

Table 4: The results of entrepreneurship leadership impact model on entrepreneurship skills

Collinearity test		T-Test		Regression coefficients		Variables
VIF	Tolerance	Sig	T	Beta	B	
--	--	0.001	5.96	--	23.61	constant
1	1	0.001	6.37	0.53	0.15	entrepreneurial leadership
Adjusted R-squared				RS	R	Summary of the model
0.28				0.28	0.53	
Durbin-Watson Test				Sig	F	ANOVA
2				0.001	40.61	

According to the results obtained from data analysis that can be seen in the above tables, entrepreneurial leadership with a coefficient of 0.056 has a positive and significant effect on entrepreneurial motivation. Also, based on the coefficient of recognition, it can be said that 32% of changes in entrepreneurial motivation are predicted by entrepreneurial leadership. Also, the regression test is

significant at a 5% probability level. Also, according to the results of data analysis that can be seen in the above tables, entrepreneurial leadership has a positive and significant effect on entrepreneurial skills and entrepreneurial leadership has the ability to predict entrepreneurial skills by 22%. Also, the regression test is significant at a 5% probability level.

IV. DISCUSSION

In the contemporary business milieu, employees are seeking leaders who evince entrepreneurial conduct and are amenable to the integration of entrepreneurship at the organizational level. In the contemporary business milieu, employees are seeking leaders who evince entrepreneurial conduct and are amenable to the integration of entrepreneurship at the organizational level. To achieve this, they must have a dynamic organization in every aspect, especially from a leadership perspective. Inter-organizational entrepreneurship leads to new production and services as well as the creation of new units and benefits for the organization.

The research findings indicate that there are commonalities in the leadership styles of successful entrepreneurs. These individuals have the ability to influence the minds of their employees and inspire them to reach their full potential. This, in turn, contributes to the growth and development of the organization. In elucidating this hypothesis, it is evident that the role of leadership in fostering motivation and a sense of capability to address challenges is of significance. The creation of a sense of motivation among the employees of an organization, a positive image of their abilities and a sense of superiority that is created by motivation in them represent the fundamental steps for the development of the organization. Since the advent of teamwork in human societies, it has been crucial to foster employee motivations, including understanding, reasoning, thinking, creativity, problem-solving, and judgment, within organizational settings.

With regard to the second hypothesis, the regression analysis yielded evidence of a correlation between entrepreneurial leadership and entrepreneurial skills. In order to explain this hypothesis, it can be stated that the characteristics of an organization require that the skills of employees be organized by the leadership in such a way that the utilization of these skills enables the growth of all the cognitive and personality abilities of employees. Furthermore, the benefits derived from these skills facilitate the ability to deal with new developments and problem-solving. It can thus be concluded that entrepreneurial leadership provides employees with the opportunity to develop their abilities and skills in a way that is beneficial to the organization, thereby enabling them to contribute to its development.

V. CONCLUSION

The objective of this study was to examine the relationship between entrepreneurial leadership and entrepreneurial motivations and skills in an industrial company. The findings indicate that an entrepreneurial leadership style can

lead to outcomes that exceed expectations within the organization. Additionally, it demonstrates a proclivity for entrepreneurial activities and can assist the organization in navigating uncertain circumstances.

Entrepreneurial leadership, as a coach, can facilitate the creation of an organizational environment conducive to employee motivation towards entrepreneurial activities and enhance the desire and capacity of employees to perform at a higher level. Organizations are capable of survival when they are able to adapt to a changing environment and demonstrate flexibility. In order to achieve this, it is essential that organizations adopt a dynamic approach in all aspects, particularly in relation to leadership. Inter-organizational entrepreneurship gives rise to the development of new production and service offerings, as well as the formation of new units and the generation of benefits for the organization. In examining the initial hypothesis, the results of the regression analysis indicated a correlation between entrepreneurial leadership and entrepreneurial motivation.

In light of the evidence presented in the research, it can be concluded that the organization under study, along with other organizations, should prioritize the development of entrepreneurial leadership skills and attributes among their managers and leaders. It can be argued that entrepreneurial leaders in an organization are the driving force behind change and transformation, and are responsible for motivating and developing the skills of others within the organization. This, in turn, can lead to an improvement in the overall performance of the organization. The findings of the research suggest that the organization should strive to achieve high levels of organizational competence by utilizing the entrepreneurial leadership style as a foundation for innovative and original behaviors. Consequently, organizations are able to exert influence, encouragement and motivation on their employees with a view to fostering the creation, promotion and implementation of ideas. This process has resulted in entrepreneurial activities that can enhance the skills and performance of employees, thereby facilitating the attainment of sustainable organizational competence.

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