

A CRITICAL REVIEW OF LEADERSHIP AND ENTREPRENEURSHIP THEORY IN MODERN ENTERPRISES

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Abstract

The current globalized market is full of competition. Business leadership development is one of the essential strategies for modern enterprises to survive and develop in this fierce struggle environment. With the development of the subject of leadership, the advanced theory of this area has a certain improvement. This article is intended to review the development of leadership for modern entrepreneurship, to define how the leadership motivates others to make outstanding achievements in the organization. The entrepreneurial management is one of the practical aspect for the application of leadership. This article will also describe how the leadership impacts modern enterprises with several cases.

Keywords: Leadership Theory, Startup Motivation, Management, Entrepreneurship, Critical Review, Modern Enterprises

INTRODUCTION

The Definition of Leadership

Leader is closely linked with leadership. A successful leader is good at learning from experiences, with a strong sense of mission. There is not clear definition of leadership because the range of this area is wide. The common characteristics of successful leaders are called leadership. Henry A. Kissinger once said, the task of the leader is to get his people from where they are to where they have not been. The leadership of everyone is different but interrelated with each other. However, in today's society, too many people misunderstand the meaning of leadership. It is generally believed that only superior leader, bosses, managers and decision makers to have leadership, which is a wrong idea.

People who have leadership do not only focus on doing things right, but to know how to do the right thing. They lead the employees, future prospects, and peers who challenge the status. Any one person can play to attract many followers by their own leadership. Any one person can play to attract many followers by their own leadership. Leadership is also a change (Yuki, 2002). Leadership functions bring constructive or adaptive change. They share the same vision with others, and to work hard to attract others.

The leadership is a manifestation of self-consciousness, which is also from the strong inner sense of external performance. Although individual members are different in a team with leadership, but once they have a common vision, they will bear a strong sense of mission, or even think that they are doing something to change the world. In a team, we do not only act as a leader for different purposes, but also act as followers, everything we do is in the intention of our shared vision. We trust each other and seek common ground in order to have a strong vision, and not maintain the current status. It is very clear that a team is easier to become successful than an individual person. A man with leadership will know how to work with others and understand how to build a team with leadership. The leader should have the thought of seeking common ground and encourage the ideas of each member, and encourage them to create a collective leadership bears.

The Source of Leadership

People with leadership have to undertake more mission. They believe that what they are doing is changing the world, which makes them full of mission and responsibility. Therefore, the mission is the source of leadership. A strong sense of mission can generate a more prominent leadership. The core of leadership is influence. People with authority of academy and professional knowledge are usually more influential. In today's society with high efficiency, fast-paced and highly competitive status, the leadership environment has changed a lot, which brings more challenges, such as globalization, social change, international communication, information technology, character development and technological innovation economy and other uncertain factors, while they are also challenges for us. No matter a company or even a small team needs leadership to seize the opportunity (Kouzes et al., 2006).

Whether a person is successful or not, the society has its set of objective criteria, there is no standard for a man to become successful. But whether an entrepreneur is successful, it can be determined by his performance and its impact on society. This is because of the rapid development of society makes a different environment. Leadership must be adapted to local conditions, to find their own feasible model for enterprise to create wealth. So as to achieve a multiplier effect, lead their employees to create value. Leadership is an important factor in the

enterprise whether it can gain a competitive advantage or not. Therefore, leadership always influences interactions among leaders and stakeholders. In conclusion, the leadership is the process of an impact on others, which may influence others to do what they could not do. The key of leadership is a kind of personal influence and inspiring based on their professional knowledge and personal charisma to inspire others, to make them follow their own decisions rather than simply to enforce their decisions. As a business leader, it should be based on the actual situation, from place to place and time to time, using a variety of targeted methods of leadership. The talent of companies is not the only factor of economic growth, but it is an important catalyst for economic development (Porter, Michael E., 2000). Political and social changes can push countries into the turbulent economic times. Due to the increasing competition, the technological innovation and reliable supply has been no longer a secret weapon. In order to win a competitive advantage, companies should fully develop human resources related to their management and marketing strategy. The company has to proceed measurements from the reality according to their own conditions, and cannot completely copy other companies' model. Under different circumstances, the same thing may require different ways to manage and handle. This requires us to make the appropriate changes according to the prevailing environment. And then the conditions of core team members should be considered, to arrange the most suitable person to participate in this job, which will not only be capable but also can improve the efficiency of the entire team.

The Impact of Leadership

Through the leadership process analysis, the best leaders should have the following leadership skills: forward-looking, vision, strategic decisions and fast moving. The forward-looking leadership is full of visionary and able to outline a clear vision for the future to determine the way forward. The vision will have an impact on others and contribute to achieve the aspirations of them. In the case of the target identified vision, the leader should make the right strategic decisions and fast implementation. He must be able to lead his team to make them obey their will and action based on their beliefs and ideas, so that they can work better for the organization (DePree, 2011). These are very important capabilities for a good leader. But a leader is not a "perfect" man, while companies are facing different problems; therefore the demand of leadership is also different.

Leader with appealing will receive support from others, from which they rely on to attract and inspire subordinates to consciously implement their own command, that's why they have a lot of loyal followers. Whether they are successful or not, they are always around with some followers together struggling with them. This influence is not based on the traditional position of

authority, but on the basis of a trust under the leadership of the personality and beliefs. Charisma is an intrinsic attraction by individuals of faith, culture, knowledge, wisdom and talent. The stronger charisma of the leader is, the more attractive he is, and thus there will be more people willing to follow them in the enterprise. It is initial for the enterprise to build a strong core team and make it efficient to run. The entrepreneurs themselves are one of the core team, and he could be the soul. The charisma is the factor and behavior of this soul. Leaders use their own charisma to attract a group of loyal people as his core team, enabling them to create wealth for the enterprise, and also realize their own value. Enterprises need to develop a stable and reliable core team. As business leaders, the priority work to do is to build a good core team, particularly business executives and the value in teams (Katzenbach et al., 1993), which is also an important manifestation of the charismatic leader. A strong core team can promote the core competitiveness of enterprises, which gives enterprises greater economic profit.

The internal character of the leader plays a very important role in the formation of the team. The charisma of the leader is not a single quality or ability, while it is made of a combination of factors. If the leader does not have conviction, sense of mission, mission, or generous knowledge, he can only become a manager rather than a superior leader. A leader's charisma usually comes from the following aspects: ideals or vision, conviction, dreams for the future and so on. The ideals of a leader represent the organization's goals, which is like a guiding light in leadership activities to guide the way forward. An excellent leader will integrate the leader's goals to the organisation's goal to attract and motivate employees to to achieve their goals while also completed their ideals. Then, the leader must have foresight to be able to look at the future direction and path of the organization. When the leader is developing the strategy for the company, he has to analyze company's strengths and weaknesses to make a clear and reliable prediction of the external and internal environment for the next few years. Therefore, a direction of the organization for the future has to be established to make it viable with the strategy of their own situation.

Critical Review of Leadership

A leader must have the ability to respond to crises. Sudden or unpredictable crisis is a watershed of the turning point with the deterioration, which might cause serious harm to media attention. Therefore, the leaders have sufficient preparation to deal with the crisis. Once the crisis occurs, those leaders who have already prepared should strive to scientific decision. In some competitions with other companies, the first company that seizes the favorable position will gain the initiative in the market competition. Meanwhile, they should also prepare to deal

with a variety of changes in any situation, which is to take appropriate measures immediately when objective changes.

Leadership is a comprehensive art (Nahavandi and Afsaneh, 2009), which not only contains a variety of specific management skills or methods, but also encompasses many more elements such as planning, communication, coordination, and balanced every factor. The leader with leadership is very important for the development of enterprises. There is five forces model to describe the leadership from different perspectives. The charisma, which has been talked in the previous paragraph, is the most inspiring qualities of leadership. The core theme of leadership theory is the study of the charisma. Then, it is the ability of forward thinking. It is a focus on the future, to predict the future and the ability to grasp the future. The forecasting is formed mainly of the following factors: the concept of the team, expectations of stakeholders, capabilities of core organizations and the developing trend in the macroeconomic environment. Next is the influence of the leadership. The influence is the ability of how the leader impacts on the employees. It is mainly reflected in a variety of established relations between the leader and the employee; the method to communicate, behavior and effects between them and the power to influence them. The ability of determination is one of another important issue for the implementation of the strategy emergencies, which is also the ability on decision-making. It is mainly reflected in the ability of fast and accurate evaluation, decision earnings capacity, predict, assess prevent and resolve risks, since the decision-making process is one of a complex process (Faber et al., 2003). Finally is the the ability of control. It is the core ability of leader to lead the development direction of the organization, strategic capabilities and effectiveness of the implementation process.

ENTREPRENEURSHIP MANAGEMENT THEORY

The entrepreneurial activity is different with the condition of working for others, which is a kind of self-employment. From this perspective, no matter the objective is large or small, a street vendor or big company manager, they all belong to entrepreneurs. But entrepreneurship is clearly not a simple meaning of self-employment; the word implies a wider and deeper meaning on several factors.

Definition of Entrepreneurship

Entrepreneurship is a popular activity, with many definitions given by the scholars. The main key-words of entrepreneurship focus on the pursuit of profit, growth and the value of entrepreneurship, which reflects business objectives. While chasing opportunities, business change, the mix of resources, management are measurements to achieve the goals. This also

shows that the concept of Entrepreneurship can be defined from different angles. Professor Stevenson H from Harvard Business School defined it as not rigidly stick to the limited conditions, but to combine different resources together to develop it into value creation process (Stevenson et al. 2007).

Features

A successful entrepreneurship cannot be separated with innovation. Schumpeter believes that innovation is the most important features for entrepreneurs and entrepreneurship (Schumpeter and Joseph A, 2000). There are several features about this. The most notable feature of entrepreneurial activity is the opportunity to. Then, the integration of resources has to be created. While the value creation and ahead of action are needed. Next is the innovation and change. Last but not least is the customer orientation. Entrepreneurship contains the risk venture during the profit production commitment, also it can be regarded as a new enterprise creation. Sometimes the entrepreneur also includes the combination of resources for existing products or production methods which might be unique than others. Entrepreneurship includes creativity change to seize the opportunity in the environment, including the adjustment of career, methods, skills, amendment and modification. Entrepreneurship includes factors of production, labor employment, management and development to develop market opportunities which has not been turned on before. To summarize, it is the process of creating value for customers, therefore, it is defined to become a sales, income, assets and employment growth, one forward, intense orientation.

The Development of Entrepreneurship Research

Since the 1980s, the rapid development and popularization of social transformation and application of new technologies triggered a new round of business boom. The entrepreneurial activity has been increasing, which become an important driving force for economic development and social progress. The entrepreneurial activity has drawn the attention and interest of modern management theory and management scholars due to its special factors like opportunity-oriented, fast action, innovative and positive commitment to the essential characteristics, which makes entrepreneurial activities have different essential characteristics (Hian, 1996). The research on entrepreneurship management has become one of the fastest growing academic disciplines.

Entrepreneurial Opportunities

The feature of entrepreneurship is that, it is the activity that combines entrepreneurs and entrepreneurial opportunity to create value. Some people are able to recognize the opportunities while others can not. After recognizing opportunities, some people identify it and take action to seize them, but someone still ignore it and do not create the value. The reason is, entrepreneurship is not only a power source but also the spiritual pillar of a successful business premise. The road of entrepreneurship will not be easy, so tenacious spirit in business is essential for entrepreneurs to succeed. Entrepreneurs are often accompanied by the desire to force action and sacrifice; this is not that ordinary people can do. A true entrepreneur must have a strong desire for wealth or social status, which is the respect from others.

The different factors of successful entrepreneurs with others are that they always have absolute confidence. A person's success is not predestined, but by their own grasp. This kind of steadfastness is especially important in the early stage when faced with difficulties. One of another important character is the patience, which they must have when meeting difficulties. Then, entrepreneurs need the courage of adventure (Frost et al., 2011), which is also one of the important spirit of entrepreneurship. But after all, the entrepreneurs are not gambling. The adventure of business is not aggressive. Successful entrepreneurs are not in a desperate frenzy or reckless. The true entrepreneur knows the difference between aggressive and adventure, in addition they also know what will lead them to painful defeat.

The entrepreneurial opportunity is not difficult to meet, but it is not easy to identify the value inside it when meeting it. Entrepreneurs often rely on the intuition, so that the "opportunity of identification" has become an art. While they also use the purposeful action and analysis, which makes the "opportunity of identification" as a science. Therefore, the opportunity can be recognized as half art and half science. Entrepreneurial opportunity is a new "Means-End" relationship, which can bring new product, service, and material into the economic activity and organization. The entrepreneurial opportunity is different from profitable business opportunity, which is characterized by the "Means-End" model to make profit and improve the efficiency of products, services and materials. Change is an important source of entrepreneurial opportunity (Shane, 2003). If there is no change, the entrepreneurial opportunity will not come. There are four specific features of changes, which are: technological change, political and institutional change, social and demographic change and the industrial structure change.

Entrepreneurial Analysis Framework

In the entrepreneurial process, there are always two uncertain factors playing important roles at a critical moment, and affecting the entrepreneurs' success plans, which is the environment and

opportunities. The entrepreneurial environment is the stage of entrepreneurs' activity. Any entrepreneurs' activity has to rely on the support of the environment. Without it, all entrepreneurial activities will become empty. Chances are the horn of entrepreneurs to inspire and motivate themselves. The internal and external environment contains staff, funds, facilities, technology, products, production processes, management system and operation mechanism, etc. The financing and investment environment is also the social conditions for entrepreneurs to raise funds. The investment environment reflects the condition to the industry and the region where the entrepreneurs in. The production environment refers to the factors that entrepreneurs convert the funds into products, including conditions like labor, production facilities, raw materials, technical services, power supply and transport, etc. The consumer environment refers to the conditions that entrepreneurs convert products into currency, including affluence of specific area of people, consumer attitudes, consumption levels, market size and competitors, etc.

The Entrepreneurial Analysis Framework contains the macro environment analysis, regional and industry environment analysis, internal environment analysis and SWOT analysis of the internal and external environment. The macro environment analysis includes political, legal and policy environment, economic environment, social and cultural environment, technological and education environment. The regional and industry environment analysis contains regional environment and industry environment. The internal environment analysis has two factors which are resource development and resource view. The SWOT analysis of the internal and external environment has four factors: strengths, weaknesses, opportunities, and threats (Hay et al., 2006).

Critical Review on Entrepreneurship

Entrepreneurship is not just a perceptual awareness. There are lots of measures and a series of solutions to be taken, which makes the entrepreneurship as continuous process. The entrepreneurship needs spirit and ideas, what's more, is the positive influence of how those entrepreneurs convert the ideas and spirit to product and service. Entrepreneurs with that ability can be considered qualified entrepreneurs while the positive influence will affect the community, industry and society. Entrepreneurship is a study or a course, which is constantly summed up from practice. The theory of entrepreneurship is not only by word or sentence, but also needs full of experience. With the growing and changing environment, the practice has become the sole criterion for testing truth and theory, which makes people who want to start their business to keep studying and trying to find clear ideas and methods of action. Thus, more and more business model and financing model have come up and be applied in the entrepreneurship. The

soul of management innovation is the change of thinking style. Only to create new ideas and concepts, the business management can keep pace with the times to adapt to the development of market economy and seize the opportunity, which is the ultimate manifestation of corporate management innovation. If the company wants to obtain greater competitive advantage in the market, one of the particularly important issues is the access to the third parties. The third party will strengthen the competitive advantage of business and optimize all aspects like communicating with customers, reducing manufacturing costs to win market, which is called the "win-win". Skjoett-Larsen and Tage provided cases in the logistics industry (Skjoett-Larsen, 2000), but in my opinion, this mode can be extended to almost every industry related to business.

TEAM LEADERSHIP

The team cohesion represents the status of the team members and how their team pride is. The team pride mainly comes from the objectives, targets, and generated by the team. Therefore, we must set a higher target commitment to higher operating goals to lead the team forward direction, so that the purpose of team members will have unique and strong consensus, which will inspire team members and the group's honor. Meanwhile, the leader has to guide the team members to unify personal goals and objectives, therefore team cohesion could bring a large amount of efficiency.

The team cohesion reflects the degree of integration between the team members and team leader based on the performance (Michel et al., 1992). A good relationship is a kind of lubricant for an effective team. Therefore, effective measures must be taken to enhance the degree of integration and affinity between team members. Since the team is open, there will always be new members at different stages wanting to join the team. High team cohesion will establish the team's sense in a short term to strengthen the formation of the team's sense of identity and belonging, which also can shorten the run-in period of new members. Group interest should be the most important issue of a company. However, during the daily team building, it is inevitable that there will be conflicts and contradictions related to aspects of the company which is involved in the company's architecture, system, culture, system construction between the individual and the group. Effective solutions are also needed to be taken for this condition.

The first solution is to build team culture. Team culture can strengthen the team cohesion and leads the team forward direction. It also can improve the soft power for a company in a harmonious atmosphere to achieve a bright future for the company. Therefore, to unite the team values can avoid conflicts from the source. Next is the system construction. A

regulatory framework and clear job responsibilities will let the team members know what to do and how to do. The work of the team must be performed according to the rules of the team. And the team members must also comply with the rules and regulations to ensure the normal, trust each other and orderly operation of the development team to avoid the unintended effects (Piccoli et al, 2003), which can also play an institutional guarantee to avoid conflicts.

NEW SUGGESTIONS

With the continuous development of society, the business management keeps changing, which makes the existing management methods cannot meet the demands of the times. Therefore, the enterprise management innovation becomes urgent to seek survival and development. Considering internal and external factors, the management innovation can be summed up for the following reasons. The internal reason for management innovation is the characteristics of human's mental activity. Maslow divided the demand of human needs into several levels, no matter physiological needs, security needs, social interaction needs, or esteem needs, all those kind of needs are endless, which became the constant reason for people to pursuit of the creation of new objects to meet their desires. To achieve the aspirations of self-worth is another factor for achievement pursuit of self-realization. According to the theory of hierarchy of needs, the need for multi-level strengthen the process of innovation is from low to high step by step, which has become the pursuit of innovative power. People want to get a sense of accomplishment to show their value from the success of innovation in order to be satisfied. Self-worth is associated to a strong sense of responsibility to the society and organization. The external reason for management innovation is that the enterprise management mode and has a certain way. Whatever the way it, it must fit the current situation and there is not any fixed mode of it. For enterprises, due to the reason that those external environment and internal conditions vary a lot, therefore the management model and management methods cannot copy from one enterprise to another, which allows the leader to keep innovating. Since the knowledge economy has developed a lot and the speed of applying new technology is increasing, the product life cycles are significantly reduced. This requires enterprises to keep continuous product innovation and develop new products to meet market demand (Gupta et al., 1990) . Some enterprises try to control costs, improve quality, increase product variety in order to seek a new way of development, which requires companies to create a new organizational structure with new services and sales model to adopt new management strategies and a program that enables organizations to manage flexibility. The superb predict tips can help leaders gain an advantage, to explore more business opportunities and to successfully use them.

There are also several strategies and measurements for enterprises to do to extend market scale based on the market innovation. Product strategy makes the enterprises design and develop appropriate services and products for customers. Some advanced enterprises even try the product iteration to acquire more and more market ratio. With another important pricing strategy, it could be an excellent integration to compete with other companies. The pricing strategy should refer to the situation of consumer psychology. When they have made products, a well channel strategy is benefit for enterprises to make profit. Most of the enterprises still have the traditional marketing channels with large distribution route and slow feedback, thus making the budget and the cost higher. While it is now in the internet information age, it is better for companies to use advanced method based on the internet.

SUMMARY

Leadership character is a kind of charm based on the leader's own character and qualities. The excellent leadership can be said to be a leader in the overall quality of the refining process, but also the character continuous improvement process. Therefore, a man with leadership, no matter he has right or not, leader or non-leader, their influence is eternal. Those enterprises that want to survive in global competition in economic development, they much pay more attention on leadership development and business management. Despite requirements for managers is different because of the diversities of industries, companies, and jobs qualification, they still have similarities and commonalities in the field of leadership. From the narrow sense, leadership can be understood as the basic influence, namely the ability to change or guide the action of others. Broadly speaking, we can put the leadership of enterprise management as the ability of a leader to inspire and lead others, which can be summarized as the following aspects of behavior description: predictions and planning. The first thing to do is to configure their own resources to implement the vision and direction. Once it has been planned, the leaders need to build their own team, access to relevant resources and organization to integrate into the perfect combination to produce results. One of the most important features of all leaders is that they have the ability throughout his career in both persevere in learning. This includes not only learning new skills, but also being capable of self-reflection, as well as possible in an objective way to evaluate their own potential for further development no matter in which kind of areas. A company wants to operate in this environment, it must be able to attract and retain those passionate and creative managers, because they can not only create their own new ideas, but also to help others develop new ideas. There is no born manager, the enterprise managers need for long-term training in the business culture.

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