

The Impact of Transformational Leadership on Individual Entrepreneurial Behavior and the Moderating Role of Hierarchy

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Abstract : Extant literature has highlighted the importance of individual employees in the entrepreneurial process, as they are those that come up with novel ideas and promote their implementation throughout the organization. However, research on antecedents of individual entrepreneurial behavior (IEB) is very limited. The present study takes an initial step to investigate the interplay between transformational leader behaviors of direct supervisors and employees' ability and willingness to act entrepreneurial and sheds light on the moderating role of an individual's hierarchical level. A theoretically derived research model is empirically tested, drawing on survey data of 450 individuals working in medium- and large-sized corporations in two countries. Findings indicate that various transformational leader behaviors have a strong positive impact on IEB, while the ability of direct supervisors to influence their followers' entrepreneurial behavior depends strongly on their own hierarchical level. The study reveals that transformational leadership has most impact at lower hierarchical levels, where employees' motivation to act entrepreneurial is the lowest.

Keywords : corporate entrepreneurship, hierarchy, individual entrepreneurial behavior, transformational leadership

Conference Title : ICBEFMS 2016 : International Conference on Business, Economics, Finance and Management Sciences

Conference Location : Paris, France

Conference Dates : January 21-22, 2016