

# EXPLORING THE LEADERSHIP DEVELOPMENT JOURNEY OF SME OWNER-MANAGERS

## **Abstract**

### *Purpose*

This research aimed to investigate influences on and opinions of leadership development in SME business owner-managers. Therefore, the objective of this study was to respond to the research question - How do SME's founder-owner-managers develop their leadership over time?

### *Methodology*

This study applies a history narrative qualitative method to explore the leadership development journey of SME founder-owner-managers throughout their lifetime. Fifteen founder-owner-managers were interviewed.

### *Findings*

Five main themes emerge reflecting a social contextual process starting from early childhood: (i) the dominant influence of parents on leadership qualities and behaviours; (ii) the importance of sports activities on shaping leadership qualities and identities; (iii) the dominant influence of role models especially bad role models on leadership perceptions and behaviours; (iv) the importance of self-learning, experimentation and self-reflection in developing entrepreneurship capability; and (v) the importance of community-based social networks in gaining support and practicing leadership capability.

### *Originality*

The originality of this research lies within the methodology used whereby a history narrative qualitative method is employed to develop data for analysis purposes. Using this methodology, this study contributes to a broader understanding of SME's founder-owner-managers' leadership development journey by taking a more expansive view to exploring the development process throughout their lifetime.

**Keywords:** SMEs, Leadership Development, History Narrative Qualitative Method

## **Introduction**

Leadership is considered a critical success factor for small and medium-sized enterprises ('SMEs') (Leitch and Volery, 2017; Zaech and Baldegger, 2017), but most research tends to be conducted in corporations (e.g., Kempster and Cope, 2010; Leitch et al., 2009, 2013; Leitch and Volery, 2017; Zaech and Baldegger, 2017). Therefore, introductions of being an SME owner-manager and learning to lead may have been missed (Morrison, 2003). For example, SME founder-owner-managers may have minimal time and money resources to invest in formal leadership development (Kempster and Cope, 2010; Leitch et al., 2009, 2013). Moreover, SME's founder-owner-managers are required to simultaneously take up different roles and mostly learn by informal naturalistic learning processes such as self-reflection (Clarke et al., 2006) or experimentation (Kempster and Cope, 2010). As Morrison (2003) highlights, there is a need to understand SME leadership development as a lifelong learning process. Understanding these processes could be an essential step towards improving SMEs' leadership and hence this research will be of interest to SME owner-managers and leadership developers. In exploring this area, we respond to those wishing to understand better how SME owner-managers develop over time (Howieson and Grant 2020).

Our research also appreciates that 'one size does not fit all' (Belling et al., 2004: 252) when developing managers' abilities across different organizations. This development is about personal and professional change (Howieson and Grant 2020). Although there has been some attention to the leadership of entrepreneurs recently, it does not emphasize the process of how entrepreneurs develop their leadership over time (Kempster and Cope, 2010; Kirkwood, 2007; Leitch et al., 2013; Leitch and Volery, 2017). Hence, there has been a call for future research to employ a process-oriented approach emphasising contextual variables both formally and informally in studying leadership in general (e.g., Day et al., 2014) and in SMEs (e.g., Leitch, and Volery, 2017; Zaech and Baldegger, 2017).

A few contemporary studies have approached leadership development in SMEs with a process-oriented view (e.g., Kempster and Cope, 2010; Kirkwood, 2007; Leitch et al., 2009, 2013). These studies shed light on the insights for understanding the leadership development in SMEs context at the level of lived experiences that calls for more future research to contribute their empirical findings using a similar approach. Nevertheless, future studies need to consider that these foundation studies emphasize adult development while the development

process happens throughout one's lifetime (Murphy and Johnson, 2011; Day et al., 2014). Hence, this study contributes to a broader understanding of SME's founder-owner-managers' leadership development journey by taking a more expansive view to explore the development process over time.

This research aimed to investigate influences on and opinions of leadership development in SME business owner-managers. The research question to achieve the objective of this study is 'How do SME's founder-owner-managers develop their leadership over time?' Three sub-questions are explored to answer the research question: (i) What are the main factors influencing participants' leadership development over their lifetime from childhood to their current positions? (ii) How do these factors influence participants' leadership development? (iii) Which aspects of the participant's leadership development influence each factor? By responding to these questions, this study contributes to the literature on SME leadership development (see Morrison, 2003) by providing insights into the leadership development process of entrepreneurs that occurs in non-formal settings over their lifetime. By doing so our intention is to expand the discussion and research regarding the idea of leadership learning being processual and lifelong. Before we go on to discuss leadership development in SMEs more closely, we situate our research within the entrepreneurial leadership literature.

### **Three Conceptualisations of Entrepreneurial leadership**

Conceptually, researchers approach entrepreneurial leadership (see also Bagheri and Harrison, 2020 and Harrison et al., 2018 for recent reviews) from three different views.

In the first view, researchers consider entrepreneurial leadership as a type of leadership in a specific context of SMEs that can be well explained through available leadership theories (Cogliser and Brigham, 2004; Leitch et al., 2013; Leitch et al., 2017). This first view allows researchers access to the extensively studied area – leadership - to examine and inform entrepreneurship (Cogliser and Brigham, 2004). This view, however, under-examines the contextual factors such as the dynamics and complexity of entrepreneurship or the differences of employed managers and founder-owner-managers. While employed managers learn to lead from their peers and leadership training, founder-owner-managers lack these opportunities, so they tend to learn from experimentation (Clarke et al., 2006; Kempster and Cope, 2010). Kempster and Cope (2010) also find that employed managers are motivated to become leaders (Kempster, 2006) whilst founder-owner-managers tend to not see themselves as

leaders. Hence, this study sees an historic lifetime narrative approach as important in gaining a deeper understanding on how SME's founder-owner-managers learn to lead.

Researchers from the second view emphasise entrepreneurship as the essence of leadership in the dynamics and complexity of entrepreneurial context (Leitch and Volery, 2017). Here entrepreneurs are considered to drive the entrepreneurial spirit exhibiting the abilities of recognising opportunities, creating a vision, mobilising resources and creating values (e.g., Cogliser and Brigham, 2004; Gupta et al., 2004; Leitch and Volery, 2017). This anchors entrepreneurial leadership with entrepreneurship rather than leadership. This second view enriches entrepreneurial leadership literature from the dynamic of entrepreneurial context.

Despite the differences, the first and the second view share a common pattern in being entrepreneur-leader-centric that leaves a gap for researchers to fill by examining the comprehensive set of leadership behaviours/skills/identity of entrepreneurs, the interaction of entrepreneurs with other stakeholders such as society, and the dynamic nature of the phenomenon 'entrepreneurial leadership' in general (Leitch and Volery, 2017).

Further to these two views, researchers in the third view consider entrepreneurial leadership existing in the intersection of entrepreneurship and leadership (Cogliser and Brigham, 2004; Leitch and Volery 2017). For example, Leitch et al. (2013: 348) state, 'entrepreneurial leadership is the leadership role performed in entrepreneurial ventures, rather than in the more general sense of an entrepreneurial style of leadership'. Not considering entrepreneurial leadership firmly anchored in either leadership or entrepreneurship literature makes entrepreneurial leadership a new research area that requires more investigations using the third view. This third view allows researchers to obtain the benefits from a 'cross-pollination' of both entrepreneurship and leadership fields (Leitch and Volery, 2017), avoiding inherited limitations of previous theories in the two fields and bring new insights into literature and practice.

To provide the insights for the nature of the phenomenon 'entrepreneurial leadership' and access literature in entrepreneurship and leadership, this present study adopts the third view when discovering the involvement of both leadership and entrepreneurship development of founder-owner-managers over time.

## **Leadership Development in the Context of SME's**

In responding to the need for assessing the how-to dynamic for the developmental process of entrepreneurial leadership, contemporary entrepreneurial leadership researchers emphasize a process-oriented approach. However, the number of them remains few. As one of the few, Kempster and Cope (2010) conducted a qualitative study with an interpretative phenomenological analysis approach to explore leadership learning at the level of lived experiences. They suggest that leadership learning reflects an informal and contextualized social process of becoming a leader. Although they do not specify which leadership outcomes (e.g., skills, styles) are developed and how they change over time.

Complementing Kempster and Cope's (2010) research, Leitch et al. (2009, 2013) also examine the entrepreneurial leadership development process through the levels of lived experiences but with an extra effort in using a longitudinal approach. They suggest that entrepreneurial leadership is a social process that focuses on human capital (enhancing leaders' skills, knowledge) but only occurs in the social capital development process (peer-to-peer interaction, trust-building). They find that both skills and knowledge of leaders are changed over time. Such findings indicate the importance of simultaneously investigating the change of different leadership development outcomes over time. Hence, this study emphasizes discovering the change of varying leadership development outcomes (e.g., behaviours, perceptions) over time of SME's founder-owner-managers.

On the change of leadership development outcomes overtime, Dean and Ford (2017) use a narrative inquire (life history) approach to interview sixteen female entrepreneurs and find that their perceptions change overtime. These perceptions are constructed through community, daily activities or lived experiences. Their study challenges the masculine voice in the mainstream of entrepreneurial leadership literature and once again highlights the role of different levels of contexts such as individuals, lived experiences and community.

These few studies shed light on using a process-oriented approach to access the social process of leadership development at the informal multilevel contexts such as lived experiences, social factors or community. Nevertheless, these few studies still under-represent the leadership development journey which is started from early childhood in family and educational context (Day et al., 2014; Murphy and Johnson, 2011). Which is considered within the present research.

## **Leadership Development from Early Childhood**

Studies on leadership development tend to emphasise the development process in the formal settings during adulthood instead of the root of development at the early age (Day et al., 2014; Murphy and Johnson, 2011). In their comprehensive literature review on development and leadership theories, Murphy and Johnson (2011) highlight that the adult development is associated with the early learning and leadership experiences in family and educational context. Adding to this, Oliver et al. (2011) provide empirical evidence to suggest that individuals having academic intrinsic motivation during childhood and adolescence tend to develop leadership identity in their adulthood. Such findings suggest the importance of using quasi-longitudinal studies to evaluate the influence of factors early in time and their impact on leadership outcomes at a later time (Day et al., 2014). Hence, this study uses an approach to discover which factors influence the development journey starting from early childhood and which aspects of leadership development influenced by these factors in adulthood of participants.

## **Methodology**

The dearth of accessing the developmental process of entrepreneurial leadership occurring through a variety of naturalistic mechanisms such as lived experiences has resulted in repeated calls for more qualitative process-oriented approach research (Kempster and Cope, 2010; Leitch et al., 2013; Leitch and Volery, 2017). A qualitative approach allows researchers to uncover the meaning participants give to their experiences and the context and its influence on participants' action and behaviours as well as to generate new theories (Silverman, 2016). Hence, despite the limitation in not being able to generalise results due to its nature of a small sample size (Creswell, 2013), the benefits of a qualitative approach makes it an appropriate approach for this study to unpack the leadership development journey of SME's founder-owner-managers throughout their lifetime.

Narrative inquiry is identified as the most suitable strategy for qualitative social research aiming to capture individual lived experiences (Creswell and Poth, 2017). Using narrative strategy allows this study to incorporate data from both formal and informal contexts over the lifetime of SME's founder-owner-managers such as family, educational background or workplace. Some contemporary researchers have also employed narrative to provide new insights for leadership development (e.g., Komolthiti, 2016) or entrepreneurial leadership

(e.g., Dean and Ford, 2017) that create the positive evidence for this study to adopt a narrative qualitative approach. Oral history was identified as the most suitable approach of narrative inquiry for this study because allows researchers to obtain data from history and sociology, places and emphasis on the importance of temporal context and memory and help to contribute to the voices in studies of aging, childhood, gender, resistance and identity (Thompson, 2017). Moreover, oral history is considered as a more focused version of life history which is also more suitable for one-time interview qualitative research to obtain data that matters to the objective of this study (Thompson, 2017).

Semi-structured interviews offer participants the chance to modify their answers (Merriam, 2009) and allow new issues to emerge for exploration following a particular topic. Open-ended questions provide participants the opportunity to freely express beliefs and experiences in relation to the subject topic (Alshenqeti, 2014). Combining semi-structure and open-ended questions, therefore, allows this study to obtain in-depth information toward to the topic of leadership learning and development of leaders.

This study adopts a non-probability purposeful sampling technique which is also used by other leadership researchers (e.g., Dean and Ford, 2017; Kempster and Cope, 2010) to choose potential participants who can provide rich information to the study's subject (Merriam, 2009). To obtain rich contextual variables, participants are chosen based on three criteria based on the comprehensive leadership context framework of Jepson (2009): (i) being founder-owner-manager of at least one currently active small medium-size enterprise (0 to 249 employees; to differ them from the employed managers or leaders in corporate context; (ii) holding at least two years of employment and two years of entrepreneurial experience to gain rich data of their experiences in both corporate context and entrepreneurial context; (iii) located in England (Bristol, Bath, London) where the researcher is located to increase the opportunities of face-to-face interviews with participants that allows research to obtain both verbal and nonverbal interviewing data.

The interviews included four main stages based on the well-known framework of Bauer (1996): (i) five to ten minutes conversation to build rapport (establishing a connection and putting participant at ease); (ii) series of probing questions to understand how participants learned their leadership through their lifelong experiences (based on the timeline diagram with five stages: early childhood, school, employment, and entrepreneurial context) (field notes were taken whilst eyes contact was maintained to keep participants engaged); (iii) questions seeking clarification and deeper understanding of previous responses; (iv) small

talk with open questions to encourage participants to share any other experiences or influences that they had not shared yet.

This study used an open-coding categorical-content strategy (Miles et al., 2013) to inductively extract the common noticeable themes emerged in the narrative data (as the following six steps). One common theme found in each stage of time diagram (early childhood, school, employment) except for the entrepreneurial time appeared with two noticeable themes that made the five most common themes emerged in this study's data. The five themes were chosen for discussion to relate to relevant existing theories of leadership/entrepreneurship/entrepreneurial leadership and to build a model of leadership development journey for founder-owner-managers in SMEs.

Step 1: Preparing the data including transcriptions, field notes, audios, and journals.

Step 2: Listening to the audios and reading throughout each transcription to understand what the participant say. Notes are taken to capture the thoughts on the data.

Step 3: Starting coding the data by writing words representing a category for the information; trying to find the interrelationships between categories; making a final decision on the abbreviation for each category and alphabetize these codes.

- Codes are based on the past literature and common sense.
- Codes that are surprising and that were not anticipated at the beginning of the study.
- Codes that are unusual.

(emphasising key words, repetition of words, metaphors, strong emotional expression)

Step 4: Using the coding process to describe the extracted categories with evidence from the data and literature, choosing five noticeable themes for discussing at the findings.

These themes are analysed for either each case or across different cases.

Step 5: Advancing how the description and themes should be represented.

Step 6: Capture the lessons learned from the study.

## **Findings**

The analysis is based on fifteen interviewed founder-owner-managers in fifteen different SMEs (see Table 1).

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The results show various influences on the leadership development journey of participants starting from early childhood with parents, sports activities in schools, bad and good leaders in the workplace, self-learning, experimentation, self-reflection, and social networks in the entrepreneurial venture. This reflects a social contextual development process with different leadership development outcomes such as behaviours, perceptions and identities.

### ***Theme 1: The influence of family on leadership qualities***

This study shows evidence that family but especially parents, significantly influence either leadership qualities, especially hard-work quality, through observational learning processes. The influence of family was also found about national culture and genders.

#### *Hard work as a dominant leadership quality learned from family*

Although each participant in this study recalled different leadership qualities that they learned from their parents (e.g., positivity, independence, inspiration, hard work), hard work emerged as the most commonly discovered quality in eight out of fifteen participants. For example, participant N stated that he observed the hard-working quality from his mum:

*'Of course, my mum, I think she is exceptionally hard-working, very humble. I know everybody will talk about their mum but even if she was directly trying to preach that to us or not, we got it, we saw that in action'.*

While seven out of the eight participants perceived hard work as good quality, one participant, participant H, changed her perception of this behaviour over time from positive to negative. She stated that although hard work supported her early success, it created pressure to do everything herself. She believed that hard work was an ineffective approach of Asian culture compared to 'smart-work' and the hard-work approach hindered her exploration in entrepreneurial leadership. She recalled:

*'What was instilled in me in the Asian culture that you work very very hard, you don't trust anyone, and you look after for yourself... I think that was the shame actually because if I had a closer exposure, I wouldn't pick up the leadership thing a lot quicker.'*

The basic assumption of culture - on hard work as a dominant Asian culture - influences participant H's perception of leadership quality. She changed her perception toward this quality in her late career as she experienced another culture – Western culture - which

according to her as a more practical approach toward leadership – smart- work. This reflects the influence of national culture on one’s perception of leadership.

Although the influence of hard-work quality from parents affects both genders evenly (four females and four males among the eight participants), there are gender differences in some participants’ perceptions toward their parents’ influences.

### *Gender differences*

Whilst no participants associated uncomfortable feelings toward their mother’s influences, four participants (two females, two males) did towards their father’s behaviours. With an uneasy feeling, Participant E and J shared their ambition for success was driven by their fathers. For example, participant J stated her father’s expectation of her triggered her ambition:

*‘That comes from my dad. When I was eight years old, he asked me what I wanted to do when I grew up, and I said, ‘I want to be Prime Minister. So, he said to me at 8, ‘that’s an excellent start; what are you going to do after that?’ That sounds like a really positive thing to say, but for an 8-year-old kid, what on earth do I have to do to please you?’*

Although acknowledging their fathers’ behaviours embraced their ambitions to succeed in their early careers, participants E and J recognized in their late careers that these behaviours also created pressure and limiting beliefs that they were never good enough. While the two females tended to be driven by their fathers’ expectations, the two males interestingly seemed to want to outdo their fathers because their fathers were not ambitious. This reflects essential gender differences in how entrepreneurs learn, develop and manage (Mitchelmore and Rowley, 2013).

### ***Theme 2: The influence of sports and teamwork activities***

Sports and teamwork activities also significantly influence four participants’ leadership perceptions, styles, and qualities (participants E, F, I, and L). While most participants had difficulty recalling particular influences during their school time, the four participants emphasized different leadership qualities such as competitiveness, confidence, self-awareness, and learning to lead a team that they gained through sports and teamwork

activities. For instance, participant E recalled how sports helped her always to be competitive, confident, and achievement-oriented:

*'I've always been very sporty, played lots of sports. I did a lot of running, representing my school. I'm also competitive; if you play sports, I believe you can learn a lot, you learn that you don't stop because you didn't do well today, whether it's in a team or single.'*

Participant I suggested sports helped him learn about leadership for the first time and establish his leadership style and identity:

*'I suppose the first time I was aware of it was playing sport. So leadership has been a captain or leading a team or a team talk that sort of stuff ...Imagine your role is as a captain, you need to motivate your team to get the best performers...so I guess that's kind of model of my leadership style.'*

Noticeably, the four participants in this study were top performers in sports, even captains of their teams who may not suggest the results would be the same for individuals with other performance levels. For example, participant D only could recall the learnt aspect of motivating the team from involving in sports activities and somewhat it was because she was not a captain:

*'I played sports, but I wasn't a captain or anything. Captains need to bring everyone together; they need to motivate you... So probably motivation, motivating the team, setting a good example, so yes certainly something I can learn from leadership aspect'*

She, however, emphasized her leadership identity embraced through leading the Young Enterprise in her school:

*'I was the Manager Director of Young Enterprise, so it was kind of setting an example for kids and making the business on track.'*

This suggests that the leadership identity or capabilities developed from sports may have also been resulted from the feeling successful in some aspect and/or being recognised by having a chance to lead a team rather than solely the sports itself.

### ***Theme 3: The influence of role models on leadership qualities***

#### *'Bad' leader behaviours*

The interviewed participants recalled different undesirable behaviors of their leaders such as manipulation, one-way communication, disregarding others' views, blaming, or bullying. These behaviors made them feel unrecognized, resulting in their uncomfortable feelings taught them not to model these behaviors. This provoked three participants' decisions to start businesses (Participant E, F, I). For example, participant F left his job because his bad leader disregarded his opinion:

*'I thought I was doing a good thing for the company; in fact, I'm giving up my time for the company, but I was reprimanded for it, and the way that he was talking to me and not considering my opinion was very demoralizing, and I got quite upset about it. At this point, I left the company due to his behaviour.'*

Another participant, participant E, even decided to start her own agency because her boss did not value her contribution that she wanted to outdo him:

*'...The motivation for that was the fact that I had been working for a not-particularly good company, and I thought 'I could do this better', basically. I had a bad leader...'*

Empirical studies have confirmed the influence of role models on entrepreneurial intentions (Feder et al., 2017). This study shows that bad leaders influence the entrepreneurial intentions of more participants (the three participants) than good leaders (the only one participant: participant M). Participant M recalled the inspiration gained from his good leaders:

*'...There were two founder-owner-managers, and it was probably those guys that first introduced me to the concept of people creating their own business, that the company having a face of the founder-owner-managers rather than just being a brand and faceless...'*

Such findings explain that bad leaders create more significant emotional experiences than good leaders, influencing individual decisions (Bradley, 2009).

### ***Theme 4: The influence of self-learning, experimentation, and self-reflection***

In an entrepreneurial context, participants developed their entrepreneurial leadership capability through self-learning especially reading books (for different purposes such as

developing skills, being inspired, or switching off), combined with experimentation and self-reflection processes. Apart from that, one participant (participant M) read books (novels) to switch off, which according to him, was his main challenge of being an entrepreneur:

*'... I would tend to read three types of books. I read either kind of management leadership book, lean start-up... I read novels; it doesn't really instruct me, just distracts my mind, and I read all of the science books to reinforce the way I approach life - in quite an analytical scientific experiment...'*

*'... As an entrepreneur, your goal should be to be vital to the day-to-day operating of your business. Sometimes, I'm terrible for switching off on rechecking, and I force myself not to. I rarely succeed; I always fail; it stresses me out more...'*

This reflects that non-cognitive learning materials such as novels can help deal with entrepreneurs' challenges in remaining synonymous with their businesses (Cope, 2003; Fuller-Love, 2006; Kempster and Cope, 2010). Moreover, non-cognitive learning materials such as Ted-talks could embrace a leadership approach in inspiring people as one participant (participant F) shared:

*'There is actually a guy called Benjamin Zander - this talk influenced my entire conversation about leadership...this was the thing that started everything. He talks about when you inspire them their eyes start to sparkle and their eyes ....and that hit me really hard ...and what I decided that what I wanted to do was make as many people sparkled as possible..'*

While self-learning drove participants' entrepreneurial development journey, experimentation and self-reflection helped them validate and practice what they learned. For example, participant I also recalled his learning through trial and error then reflection process during his journey:

*'It was trial and error, it was doing things and reflecting on things, so it might be setting up a group, bringing people in... it might be working with the young offender and if it went well why did it go well or that went wrong what would I do differently.'*

Critical reflection (Clarke et al., 2006) is considered relevant concerning entrepreneurial leadership development (Kempster and Cope, 2010) by increasing the self-awareness of individuals - through critical reflection, and participants make sense of what is suitable for them (Rae, 2000). The lack of opportunities to learn from role models or peers as well as the lack of time and space in entrepreneurial context (Clarke et al., 2006; Devins et al., 2005) compared to the employed context (Kempster and Cope, 2010) may lead to the emphasis on

self-learning, experimental and self-reflection process. This self-driven learning process is also associated with the loneliness that most participants in this study mentioned. For example, participant D shared:

*'It is a lonely place when being an entrepreneur, and it is just you. Even if you have a team, you are still the founder of the business. What I learned is to get involved in networks or mastermind groups. I still learn from people ahead of me, and I go to a seminar and read books.'*

The mention of networks as a way of learning in participant D's sharing suggests the importance to examine the role of social networks in leadership learning of participants.

### ***Theme 5: The influence of community and networks***

The findings show both positive and negative impacts of community-based social networks, although the positive side is more dominant.

#### *Positive side of social networks*

All participants acknowledged the benefits of networking when running their businesses, such as gaining contacts, opportunities, reputation, or emotional support. However, while most male participants emphasised gaining contacts, opportunities and reputation, most female participants highlighted emotional support and contribution. For instance, participant B emphasized her networks helped her tackle the loneliness when starting her business:

*'I was very fortunate that I went to network very early; I got myself a business mentor and was with like-minded people. You're not alone setting up a business, and you're in a family that is all trying to do the same thing and help each other.'*

This reflects that community-based networks can create a sense of belonging and accountability for their members (McMillan and Chavis, 1986). Moreover, female participants tend to build their networks to contribute to society or support other entrepreneurs. For example, participant E created her business network to support younger entrepreneurs and to avoid loneliness:

*'One of the reasons why I run Bristol Entrepreneur Opportunity Speaker is because I know it is so nice to come to someone sometimes and say 'oh my God, this is happening,' or even just talk to someone and discover they're going through the same thing as other people, and I know how that can get quite lonely... Well, it is leadership, because I am trying to help other people, that in itself is the leadership I guess...'*

This suggests that social networks are an important part of leadership development for female participants. This supports those that have generally highlighted the importance of networking to leadership development (see Megheirkouni and Megheirouni 2020). In their paper, Megheirkouni and Megheirouni also highlight the need to examine the intricacies of networking in a leadership development context. Herein, we have started to provide a deeper investigation and have found gendered differences in how SME owner-managers see the usefulness of social (as well as business) networking. As we will explore next, we have also found some negative sides to networking as a mechanism for SME leadership development.

### *Negative sides of networking*

Apart from the positive aspects, two participants (participants G and O) recalled the negative side of social networks. Participant G expressed an uncomfortable experience due to people having perceived him as having multiple identities inside and outside his networks:

*'...I think with networking; sometimes there's a little bit of disguise...It was tricky at the start. I would go in probably wear two masks really, because I was going there as the cleaning owner, and then said that we had all this stuff blah blah blah. And then, as soon as the networking event was finished, I would race off, get in my van, get changed into my cleaning outfit, and then go off and clean for the day. So I think there's a little kind of perceiving one person and then being the other person. But I think it is normal in networking sometimes...'*

One other participant, participant O, also acknowledged the negative side of social networks:

*'There will always be chances that people take the granted or try to sell in the community unethically and try and manipulate people...But I always can choose what to do with my community.'*

However, the participants tend to tolerate the possible negative impact of social networks, which reflects on and often emphasizes the positive sides of social networks in research.

### **Discussion**

The findings illustrate that leadership development is rooted in experiences over one's lifetime. Little research investigates the family's influence on leadership development (Murphy and Johnson, 2011), especially in an entrepreneurial context (Kirkwood, 2007; Kempster and Cope, 2010). Through reviewing different leadership development studies and

development theories, Murphy and Johnson (2011) provide a comprehensive framework that suggests that early developmental factors influencing leadership development include genetics, gender, family (parenting styles), sports, and education. However, Murphy and Johnson (2011) do not provide empirical evidence to test their framework and clarify which aspects (e.g., skills, styles) of leadership development are influenced by these factors. Although Kirkwood (2007) and Kempster and Cope (2010) suggest that family influences individuals' leadership behaviours, they do not specify which behaviours one learns from their family. This study provides empirical evidence to clarify the missing parts in this previous research in that hard work is a leadership quality rooted in the first social networks of one's life/family.

Some previous researchers suggest that hard work as a quality of ambitious entrepreneurial leadership (e.g., Gupta et al., 2004) or successful entrepreneurs (e.g. Olakitan and Ayobami, 2011). These researchers, however, neglect not only the process that individuals learn this quality from observing their environment, such as family illustrated by this study, but also the change toward this quality over time. This study gives an example of participant H where national culture can influence the change of one's approach toward leadership quality over time. National culture includes the basic assumption expected to influence individuals' perceptions, beliefs, and values and hence their approach toward leadership (Schein, 2004). Apart from national culture and time, this study has also found other contextual factors, such as gender influence in the early development of leadership behaviours, as important to entrepreneurial leadership development. Previous research shows little evidence of gender differences when investigating family influence on leadership development. As one of the few, Kirkwood (2007) and Kempster and Cope (2010) suggest that fathers play primary roles in entrepreneurship decisions. While some male entrepreneurs desire independence from their fathers or outdo them, some female entrepreneurs look up to their fathers for advice (Kirkwood, 2007).

Although supporting the findings on the dominant influence of fathers, this study found that some male participants are inspired to outdo their fathers whilst some female participants are driven by their fathers' expectations of them rather than looking up to their fathers, as indicated by Kirkwood (2007). Such findings raise a question in incorporating contextual variables such as time, gender, personal belief systems constructed by culture and family at an early age. This suggests that leadership development programs should investigate the early



constructed belief systems and developmental patterns to deconstruct or reinforce specific developmental patterns if needed.

This study's findings also reinforce some previous studies that suggest that early sports-related skills are transferable to leadership development in adulthood, for example, initiative, teamwork (Larson et al., 2006), competitiveness, and self-confidence (Murphy and Johnson, 2011). Although other researchers argue that sports inhibit leadership development because they create groupthink resulting in low socially responsible ability (e.g., Huntrods et al., 2017) and communication with people outside of the sports teams (Blinde and Greendorfer, 1992). The different findings in these previous studies may result from other influential factors such as parents, coaches, or individual differences. This study found that individual performances (top performers) and positions in teams (captains or team leaders) lead to the positive influence of sports on leadership development.

This study also illustrates that role models significantly influence participants' leadership development in employment. Interestingly, bad role models seem to have a more substantial influence than good role models. Bad leaders' behaviours found in this study reflect toxic, destructive leadership behaviours shown in literature, such as one-way communication or disregarding the views and long-term welfare (Schilling, 2009; Schyns and Schilling, 2013). These destructive behaviours create uncomfortable feelings for followers because they create conflict with followers' identities. Such findings are consistent with previous findings emphasizing the negative impact of toxic, destructive leadership (e.g., Schilling, 2009). However, the negative experience caused by these behaviours seems to bring positive outcomes by showing participants how not to behave to avoid unwanted results caused by these behaviours.

Although the influences of bad role models are not stronger than good role models regarding participants' approach toward leadership behaviours, the influence is more significant regarding participants' new venture creation decisions due to the considerable emotions caused by bad leaders. Such findings partially support previous findings that entrepreneurs enter the entrepreneurial arena to outdo their bosses (Kempster and Cope, 2010) or dislike their bosses (Kempster and Cope, 2010). However, this study provides deeper insights into the emotional aspects caused by negative role models leading to new venture creation decisions. It also seems that negative role models accidentally create positive outcomes in showing participants how not to behave to avoid possible results caused by these behaviours. Hence, in experiencing negative role models' participants appreciate more the

positive role models they encounter. Furthermore, this study provides evidence that entrepreneurship creates a specific informal environment for participants to develop their leadership capability through self-learning, experimentation, and self-reflection, distinguishing it from traditional formal leadership development. Most leadership development research recruiting employed managers as participants suggests that leadership is developed through apprenticeship such as modelling their managers, classroom-based practices, or formal mentoring and/or multi-source feedback processes (Day et al., 2014; Garavan et al., 2016). However, the entrepreneurial contexts lack the availability of superiors, peers, and subordinates for entrepreneurs to learn (Fuller-Love, 2006) through an apprenticeship process (Kempster and Cope, 2010). Hence, they mainly develop their leadership capability through self-learning (Rae, 2000), making mistakes (Cope, 2005), experimentation, and reflection (Clarke et al., 2006; Garavan et al., 2016; Leitch et al., 2013). This study highlights that experiment helps individuals validate their learning through self-learning and previous experiences in the employed context. Critical reflection helps them increase their self-awareness of what to include and not include to further their development process.

Lastly, the findings reinforce previous entrepreneurial leadership research, which emphasizes similar contributions of social networks to the entrepreneurial process (e.g., Fuller-Love, 2006; Hoang and Antonic, 2003; Kempster and Cope, 2010; Megheirkouni and Megheirouni 2020). It is suggested that entrepreneurs are naturally embedded in social networks, and they need to find resources such as skills, labour and motivation to start and maintain their businesses (Aldrich and Zimmer, 1986; Hoang and Antonic, 2003). The rich socially embedded experiences of different individuals in social networks become sources of gaining information, advice, contacts, and reputation for entrepreneurs (Aldrich and Zimmer, 1986). Moreover, the creation of social networks of female participants in this study illustrates that social networks are results of leadership development over time and are the environments to reinforce leadership identity. This supports Cullen-Lester et al.'s (2017) observation that social networks are leadership development outcomes as social networks which gather individuals and create a resource mobilization and exchange that help individuals achieve their goals.

Despite the positive impact of social networks, most leadership development research and programmes emphasise formal contexts (Cullen-Lester et al., 2017). The flexibility, flat structure, and relational leadership in community-based social networks (Nowell and Boyd,

2014) provide entrepreneurs with flexibility and autonomy, often motivating entrepreneurs' businesses (Shane et al., 1991). This may enhance their engagement in learning through social networks rather than formal training. Moreover, learning from like-minded people, especially other entrepreneurs, is more time-saving and practical than formal training classrooms. Hence, this study contributes to the voice of most recent research (e.g., Cullen-Lester et al., 2017; Kempster and Cope, 2010; Martiskainen, 2017), which emphasizes incorporating social networks in leadership development programs, especially for SMEs' leaders.

The findings also highlight the importance of investigating the negative side of social networks, such as creating multiple identities to utilize the influence of social networks on leadership development. Negative ties may impact human behaviours by reinforcing positive ties (Labianca and Brass, 2006). However, most researchers focus on positive side of social networks on leadership development (e.g. Chiu et al., 2017; Cullen-Lester et al., 2017; Kempster and Cope, 2010; Martiskainen, 2017). Recently, Chiu et al. (2017) suggested that leaders who are central to social networks are perceived positively by their followers compared with those who avoid their social networks. Therefore, such findings in this study suggest future research to discover both sides of social networks on leadership development to develop a clearer picture for leadership development programmes incorporating social networks.

### **Implications for leadership development programmes for SMEs**

This study reflects leadership development as a social contextual process occurring in both formal and informal context from family, educational, workplace, entrepreneurial venture to community-based social networks. This suggests that leadership programmes should have multilateral approaches integrated with social activities.

Firstly, as the evidence suggests that leadership development started from the early age, the programmes should start by discovering which individuals have learnt about leadership and the way they learn best in general (e.g., reading or listening). This helps to identify their current behaviours and belief patterns and indicates which patterns should be deconstructed, reconstructed or reinforced. This is similar to the use of a biographical timeline approach suggested by Kempster (2009).

Secondly, leadership development programmes should incorporate multiple perspectives (e.g., coaching, mentoring, self-reflection, experimental projects, teamwork, building an organisational culture, sports activity) over a significant period of time (Day and Sin, 2011).

Thirdly, leadership development programmes should be embedded in social networks to provide social interactions, emotional and business supports to individuals. As creating social networks is leadership itself, it is important to encourage entrepreneurs especially successful entrepreneurs to create networks to support younger generations practice their leadership. Leadership development programmes for corporations and SMEs should not be considered the same, due to the different characteristics of the two. As the preference in having flexibility and autonomy of entrepreneurs, leadership programmes for SMEs should emphasise creating harmonised networks for entrepreneurs to exchange ideas, advice and feedback from other successful entrepreneurs and leaders, instead of solely using formal practices such as classroom study.

### **Limitations of this Study and Future Research**

There are a number of factors affecting this study that were beyond the scope of this study to investigate, such as sample size, research site, age and the differences in the number of employees in SMEs. Although conducted in three cities within England, excluding other regions in the U.K as well as other countries may not reflect the population accurately. Also, this study inherits the limitation of qualitative research due to the small sample size of fifteen participants which does not allow it to be generalised or replicated. Furthermore, this study applies a narrative approach where the researcher is a part of the narrative so the researcher's narrative may subconsciously influence the process of collecting data in some degree although the bias is limited with the support of field notes and reflective journals.

The contributions and limitations of this study imply different areas for future research. Firstly, future research should emphasise the leadership development journey especially of SME's founder-owner-managers. By using an oral history narrative qualitative approach to gain in-depth data for both formal and informal contexts and emphasising 'lived experiences' will help develop deeper interpretations of 'development' for SMEs owner-managers. Secondly, it is important to simultaneously discover the changes in different leadership development outcomes such as skills and identities overtime. Thirdly, future research could examine both negative and positive side of the influential factors especially the neglected

variables such as emotions, gender, and culture on leadership development journey and their changes overtime. Lastly, future research could test the model of leadership development journey in this study with a larger demographic as well as geographic sample.

## **Conclusions**

With an ambitious objective of seeking for understanding the largely untapped research area - the journey of leadership development of SME's leaders throughout their lifetime - this study provides insights into both entrepreneurship and leadership development literature and practices, particularly about SMEs. This study found that the leadership development journey of entrepreneurs starts from early childhood, with the influences of the family, especially parents, sports activities, role models, especially bad role models, self-learning, experimentation, and self-reflection processes, and community-based social networks. The findings highlight the social contextual process of leadership development throughout the whole life of participants which stratifies the objectives of the study. It also shows the gap making the development journey difficult as participants must jump into the unknown in entrepreneurial venture and teach themselves or learn from community-based networks due to the lack of sharpening leadership and resource to invest in leadership development in an entrepreneurial context. This is a crucial finding as it could suggest a more effective social-based leadership development program is required in family, education, or employment believe that our research has added further to the original objectives, but we are also mindful of the limitations of the study we highlight above and the need for further research in this area.

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Table 1: Participants' information

<b>Participant</b>	<b>Gender</b>	<b>Age</b>	<b>Business size (number of full-time employees)</b>	<b>Sector</b>	<b>Ethnic origin</b>
A	Female	49	2	Consultancy	British
B	Female	47	0	Consultancy	British
C	Male	37	1	Technology	British
D	Female	37	0	Coaching	British
E	Female	60	1	Consultancy	British
F	Male	37	4	Consultancy	British
G	Male	40	6	Training	British
H	Female	47	0	Consultancy	Asian British
I	Male	37	4	Sports training	British
J	Female	48	3	Consultancy	British
K	Male	44	5	Technology	British
L	Male	65	4	Consultancy	British
M	Male	48	5	Technology	British
N	Male	37	6	Training	African British
O	Male	26	2	Training	Indian British