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	William Nguyen	20146927

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THE ROLE OF ENTREPRENEURIAL LEADERSHIP ON INNOVATION AND START-UP BUSINESS MODELS

(MASTER THESIS PROJECT EXAM)

William Nguyen

ABSTRACT

The following paper will analyze the idea of entrepreneurial leadership within the context of two prominent entrepreneurs—Elon Musk and Travis Kalanick. Kalanick is known for being one of the principle founders of ride sharing giant, Uber, while Musk is known for SpaceX, Tesla and Neuralink, a recently company that aims to connect computer interfaces with the human brain. Both of these leaders exhibit qualities of entrepreneurial leadership which include: resilience and adaptation, setting work culture, vision, leading others, strategic initiatives, calculated risk taking and confidence help to build successful entrepreneurial leaders who are capable of disrupting through innovation.

The paper will use a qualitative methodology to identify how Kalanick and Musk have displayed qualities of entrepreneurial leadership leading to disruptions via innovation. Aside from this, it will also examine some of the ways in which Kalanick was unsuccessful as an entrepreneurial leader, principally having to do with issues compromising empathy and empowerment.

Overall, the paper aims to educate the reader about entrepreneurial leadership and disruptive innovation, introduce him/her to Musk and Kalanick, use Musk and Kalanick as effective case studies for leadership and illustrate some of the ways in which Kalanick fell short of the idea of entrepreneurial leadership. The central lesson is that entrepreneurial leadership—along with all of the qualities it necessarily entails—is required for disruptive innovation in business sectors.

Contents

Chapter 1: Introduction

Business model disruption is in the limelight today because innovative business models can throw the competitors out and alter the industry's dynamics (KPMG, 2015). Some of the most successful companies today have demonstrated disruptions in their business models, right from the stage of conceptualization to that of implementation and the management of envisioned processes and practices. It is therefore apparent that the current research on business model innovation and disruption is at the junction of entrepreneurship and strategy where the latter is the medium that combines and transforms the already known and existing elements into novel constructs for business model innovation (Demil, Lecocq, Ricart & Zott, 2015).

In the pursuit of entrepreneurial opportunities and the strategic utilization of resources, a specific type of leadership known as 'entrepreneurial leadership' is put to use which exhibits the characteristics of effective and successful leaders and entrepreneurs as well (Hitt, Ireland, Sirmon, & Trahms, 2011; Kyrgidou & Hughes, 2010). The role and the impact of entrepreneurial leadership on new venture creation, innovation, startup business model generation/disruption, and the incorporation of sustainability is gaining popularity and increased focus in academic research. Established as well as novel organizations demand strategic envisioning and renewal which the entrepreneurial leadership is able to impart through its balanced leadership style (McCarthy, Puffer, & Darda, 2010), open mindset and philosophy, and the incessant need to stay sustainable in the growing face of uncertainty and unethical business operations.

The following paper will use Travis Kalanick of Uber and Elon Musk of SpaceX, Tesla and Neuralink as case studies to show how entrepreneurs use characteristics of entrepreneurial leadership to drive innovation and disrupt existing industries and embedded notions. In addition

to this, it will aim to show how Elon Musk has been more successful as an entrepreneurial leader in some sense, because of his focus on transformational leadership and being open to new suggestions and ideas. This solidifies his connection with employees. Overall, the paper will show how qualities such as resilience and adaptation, setting work culture, vision, leading others, strategic initiatives, calculated risk taking and confidence help to build successful entrepreneurial leaders who are capable of disrupting through innovation. It will also conduct an analysis into why Kalanick has been considered unsuccessful as a leader in some regards, and make the conclusion that Kalanick's failures are related to a lack of empowerment and empathy.

Chapter 2: Background and Research Questions

2.1 Entrepreneurial Leadership

Leadership is defined as the art of inspiring people for the attainment of a common and unified purpose. Yukl (2002, p. 3) calls leadership as "*the process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish a shared objective*". Entrepreneurial Leadership is a subset of this broader leadership category which focuses on the value creation process through "opportunity-seeking and advantage-seeking behaviors" (Ireland, & Sirmon, 2003, p.971). Entrepreneurial leaders are able to influence others with their charismatic vision and exploit the strategic opportunities by assembling and mobilizing committed supporters (Gupta, MacMillan, & Surie, 2004).

Gupta, MacMillan & Surie (2004) further assert that entrepreneurial leaders are able to ignite innovation because they address two major challenges- inspiring and convincing the

stakeholders that business model transformation is possible with the limited resources, and that the presented opportunities can be exploited to bring novel models of transactions. Thus, entrepreneurial leadership is the combination of entrepreneurship demonstrated by the ability to envisage change and transformation opportunities and the leadership ability to make the change happen by combining and optimizing resources.

2.3 Innovation

Innovation is the most referred to business term in the modern context as businesses and firms aim to uncover the unknown and go beyond the conventional to bring things and knowledge that is rare and unique. Innovation is an ongoing approach and is not limited to a single product or process; rather, it is equally applicable to methodologies, relationships, business models, and anything that helps create improved efficiency, market value and sustainability for a business and its people. Henderson (2017) opines that business and firms engaged in innovative ideation are able to exploit the presented opportunities in a more favorable manner and also enhance their internal competitiveness, investor credibility and reliance, and are also able to harness their social, institutional and human capital through the development and retention of tacit knowledge (Tredgold, 2018). Thus, there exists a direct correlation between entrepreneurial leadership and innovation which shall be evidenced in the subsequent sections.

2.4 Business model innovation

Teece (2010) defines business model as the "*design or architecture of the value creation, delivery, and capture mechanisms*" (p. 172) of a firm which converges to "*the firm's value proposition and market segments, the structure of the value chain required for realizing the value proposition, the mechanisms of value capture that the firm deploys, and how these elements are*

linked together in an architecture" (Saebi, Lien, & Foss, 2016) in the modern context. The concept of business model is being used since decades in explaining the system-based modeling of business processes (Wirtz, Pistoia, Ullrich & Gottel, 2016), as well as a necessity to explain the value of ICT-driven (Information and communications technology) innovations for firms and users. The research of business models has several underlying purposes including; understanding the relevant elements, and relationships in a specific business domain; communicating and sharing the knowledge to the external environment; utilizing as a foundation for change; evaluate the performance of organizations; experimentations and assessments of new business models; and creating innovation, change and improvement to the status quo of business (Osterwalder & Pigneur, 2002, as cited in Reuver et al., 2009). Zott, Amit & Massa (2011) opined that business model is a holistic process which encapsulates interlinks between a firm's primary and secondary processes.

Following the formulation of the study area of business models, it has developed from defining the concept, via exploring components of business models and developing taxonomies of typical business models, to developing descriptive models (Pateli and Giaglis, 2004). Business models are seen to be the sources of innovation or imitation (Teece, 2010), based on their heterogeneity in contributing to firm performance. Mitchell & Coles (2003) highlighted the managers and entrepreneurs, having specific purposes, can infuse innovation in the business model which gave rise to the notion of business model disruption- the ones creating blue oceans (Kim & Mauborgne, 2005) in conventional product and service categories.

Extant literature on business model innovation highlights a cross-theoretical perspective considering business model innovation as a process, as an outcome, and as an organizational implication. The research on business model innovation as a process appreciates the role of leadership capabilities and learning mechanisms in challenging traditional business systems and

creating successful innovation through experimentation and learning (Cavalcante, 2014). The value-chain concept (Porter, 1985), resource-based view of the firm (Barney, Wright & Ketchen, 2001), competitive advantage, strategic network theory, cooperative strategies, etc. are the many perspectives that are used to define business model innovation.

However, Schumpeter (1936) shed light on the economic model of venture creation that was possible by creating value from unique resource combinations the differing aspirations of entrepreneurs in creating, influencing and promoting the venture objectives. Venkataraman (1997: 120) provides clarity in this regard that true entrepreneurship lies in opportunity identification, valuation and exploitation for bringing 'future' commodities and services into existence. This makes it clear that only novel combinations of resources are counted in business model innovation and the differences in the aspirations of entrepreneurs would affect the business model development and the inherent level of innovation in it. Wiltbank & Sarasvathy (2002) posit that self-efficacy and the theory of effectuation prove the case in point where the aspirations, commitment, entrepreneurial capabilities, skills and leadership styles determine the scope of innovation in business model and start-ups.

Ardichvilli and Cardozo (2000) and George & Bock (2011) argue that opportunity exploitation phase in the entrepreneurial process is associated with business model innovation because an entrepreneur, after looking at the unique resource combinations for novel business ideas, has to finalize on the most feasible business model design in order to commercialize the unique and 'future' offerings. Thus, this adopted or newly discovered business model may or may not be feasible for the development of the opportunity and the different stakeholders and entities are to be managed regarding their vested interests and influences in the new venture. This is where entrepreneurial leadership emerges which uses the unconventional business model design as a way

of innovation to promote the entrepreneurial opportunities while also removing ambiguities, doubts, resistance and disengagement of the stakeholders from future business model disruption. Thus, there exists an indirect correlation between entrepreneurial leadership and business model disruption. Based on the background research and the gaps in literature identified in the subsequent chapters, the problem statement/research question for this research is:

Research propositions:

1. *How does entrepreneurial leadership directly affect innovation and indirectly lead to business model disruption in high-tech firms?*

2. *A. What are the entrepreneurial leadership qualities of Elon Musk and Travis Kalanick?*

   B. *How are they similar and how might they differ?*

3. *What were some of the ways in which Kalanick was unsuccessful in his ventures, and why was this?*

4. *Are empathy and empowerment two of the qualities Kalanick lacked that Musk had that made Musk a better overall leader?*

Chapter 3: Research Methodology

For the purpose of providing the scientific paradigms and methodologies for the design of this study this methodology chapter will give an overview of the research methodology used in this paper, which includes paradigmatic considerations, design of the research, method, and data collection. As Kuada (2018) states that the consciousness of one's own root assumptions, the nature in which these inform your analysis and how one performs and conduct one's research is of utmost importance. The methodology is thereby used as a framework for identifying what the underlying philosophical perspective is beneath the issue, that is to be solved, further leading to the question of paradigmatic approach. The researcher is thereby enabled through this context of methodology to make appropriate decisions and choices of methods on how to answer the problem formulation in question (Kuada, 2012).

The rationale in this section will primarily take foundation on Burrell & Morgan (1979) and Arbnor & Bjerke (2009), who are considered among the most established and recognized scholars in the field of: Philosophy of Science (Kuada, 2018). The aim is thereby to also take the root assumptions of the aforementioned scholars into consideration as part of the discussion.

3.1 Paradigm

The term paradigm is crucial in order to understand the research methodology on a scientific research paper. According to Arbnor and Bjerke (2009), a paradigm explains how researchers view and solve problems as it consists of theories, methods, dominant thoughts, and principles that validate the choices made by the researchers. These principles and thoughts compromise of the ontological and epistemological considerations related to the research (Arbnor

& Bjerke, 2009). The term is also most often referred to by Kuhn (1970 as cited in Kuada, 2018), who makes the argument that all aspects of an investigation or research is characterized by specific assortments of the phenomena studied, including the research question and the methods applied. He defines it as such: "a cluster of beliefs and dictates which for scientists in a particular discipline influence what should be studied, how research should be done, [and] how results should be interpreted" (Kuhn, 1970 as cited in Kuada, 2018).

The scientific term of paradigm thereby conveys assumptions about human nature and methodological assumptions that ultimately for this research paper will give background for how and why the research reaches its conclusions. Accordingly, the most common distinctions is between the objective and subjective perspective (Arbnor and Bjerke, 2009; Burrell and Morgan, 1979). By this distinction, most of the typologies of paradigms are further categorized and defined in terms of four different sets of assumptions: ontological, epistemological, methodological assumptions and assumptions about human nature (Burrell & Morgan, 1979). As for the paradigms there are numerous typologies with some of the most distinct ones being: the FISI classification, the RRIF classification by Burrell and Morgan (1979), and Abnor and Bjerke's classification (Kuada, 2012). Since Burrell and Morgan base their classification of paradigms on the basis of an objective and subjective perspective, the discussion will take base in this paradigmatic stance as well (See figure 1).

	The Subjectivist approach		The Objectivist approach
Ontology	Nominalism	⟷	Realism
Epistemology	Non-Positivism	⟷	Positivism
Human Nature	Voluntarism	⟷	Determinism
Methodology	Ideographic	⟷	Nomothetic

Figure 1: Subjectivist-objectivist approach disposition (*Source: Burrell & Morgan, 1979*)

In reference to this, Burrell and Morgan (1979) reference ontology to best be described as the nature of reality or being. From this, the two aspects of ontology, subjectivist and objectivist, are distinguished (as seen in figure 1). Objectivism conveys that "social entities exist in reality external to social actors concerned with their existence". Contrary and opposite to this, subjectivism conveys the stance that "social phenomena are created from the perceptions and consequent actions of those social actors concerned with their existence (Burrel & Morgan, 1979 as cited in Kuada, 2012).

The integrated perception for this research corresponds ontologically more to the subjectivist perspective with the phenomena seen through the eyes of different social actors as being deemed more fitting for answering the problem statement. The aiming is thereby not to seek out and conclude on the absolute truth for how entrepreneurial leadership affect innovation and lead to business model disruption in high-tech firms, but rather to orient the social constructions established between the organization and the researcher, which in the end can be a small part of the whole reality. In this regard, the subjective meanings can be defined as the constructed realities of the actor, in which the data gathered more or less represents the firm, its culture, values and rules.

For the purpose of this research, the most relevant chosen paradigm is that of Burrell and Morgan's (1979) typology of paradigms in social theory (see figure 2). As seen in the figure, Burrell and Morgan position the different paradigmatic perspectives on a two-axis scale, with the four different paradigmatic stances: Radical Humanist, Radical Structuralist, Functionalist and Interpretative paradigms. For this reason, it is also called the RRIF classification.
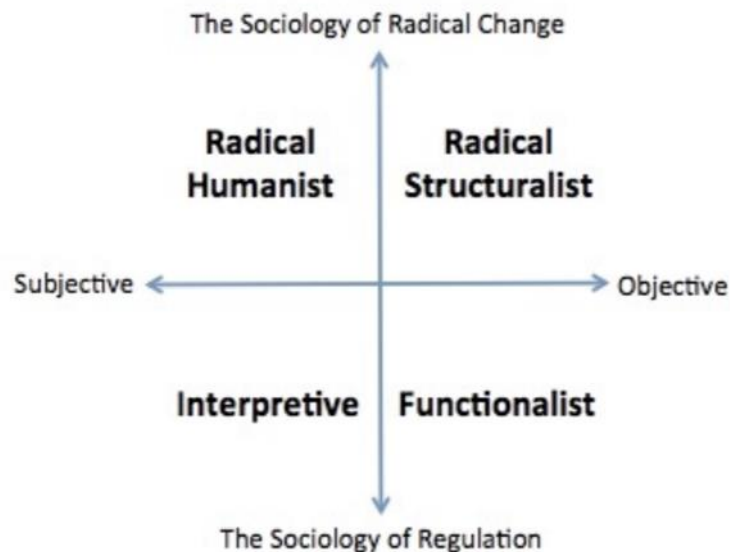
Figure 2: The Four Typologies of Social Theory (*Source: Burrell and Morgan, 1979*)

As a result of carefully reviewing the empirical observations and data gathered together with the literature used for this research paper the interpretative paradigm aligning with the subjectivist perspective is deemed most appropriate. The interpretive paradigm refers to the philosophical position, in which humans attempt to make sense of the world around them and explain it in same regard (Burrell & Morgan, 1979 as cited in Kuada, 2012). The researcher or practitioner in the interpretive paradigm thereby become part of what is being researched, and as a result be considered subjective (Kuada, 2012).

Furthermore, the choice of paradigm alternatively also rests on the highly subjectivist-oriented research in the manner in which the research for how entrepreneurial leadership affect innovation and lead to business model disruption in high-tech firms takes place. The limited measured scope of research for the different organizations together with the proportionately smaller sample case size for this research amplifies the more notable distinct subjective

perspectives of the different actors involved. This together with the qualitative nature of the secondary data and sources gathered makes it increasingly more challenging to conduct a research based on the objectivist perspective, that in the RRIF classification, most often would correspond with the functionalist paradigm. The research will ultimately, due to the chosen paradigm, focus on the subjective motivations, experiences and observations of the individuals involved to gain insight of the specified situation presented.

3.2 Research Design

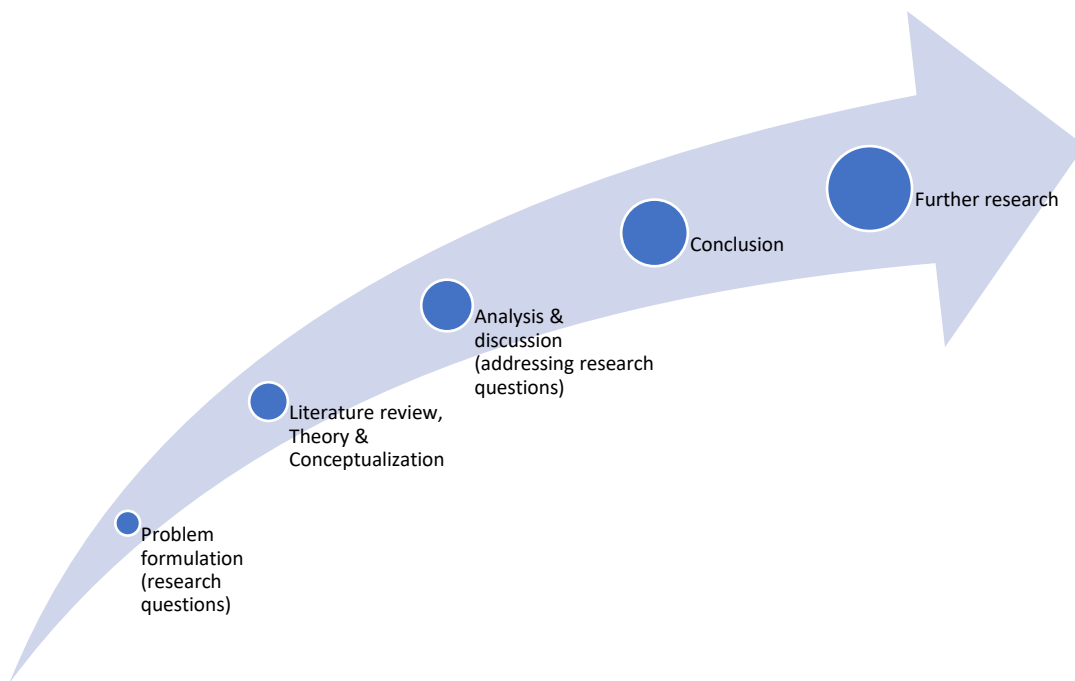Figure 3: Progression design flow for research (*Source: Own creation*)

This research study is undertaken with the primary objective of revealing the role of entrepreneurial leadership on innovation and start-up business models. A qualitative and exploratory attempt is vindicated for this study to address "*how certain phenomena take place*" (Myers, 2013, p. 6). Myers (2013) further asserts that in disclosing the "complex and

unquantifiable" issues of a relatively young management concept like business model innovation

and entrepreneurial leadership, the qualitative research approach is suited as it helps obtain detailed

understanding of the issue (Creswell, 2013). The above presented research design, as seen in figure

3, is given for the purpose of giving framework and overview to the flow for this research. The

research design pictures all the parts of the study from the starting point of deciding on the issued

problem statement to the final results, which accordingly is the action plan of the research for this

paper.

To explain and justify the data that is acquired and analyzed for the research design, five

different typologies can be considered: experimental design, cross-sectional design (survey design),

longitudinal design, case study design, and comparative design. The research design chosen for

this research paper is for that of a comparative case study design, as that together with the data

available is deemed most fitting, in order to deal and answer the problem formulation. The purpose

of the research is thereby to investigate the contemporary phenomena of the case study companies

chosen for this project within a qualitative secondary context.

Consequently, by implementing a case study design, there are no set boundaries between

the phenomenon and the context as the focus of the research is set to answer the "how" question

of how entrepreneurial leadership impacts a firm and its influence on innovation aspects in the

firm. The aim is thereby also to study the contextual conditions of the case study companies, as

they are believed relevant to the studied phenomenon of entrepreneurial leadership in a startup and

the following entailment of business model innovation and disruption. Lastly, the research will be

based as a descriptive research study, as it aims to present the story/facts/situation as they are

(Kuada, 2018).

3.3 Method

The most commonly distinguished types of data for most research papers can be categorized into two different typologies: quantitative data or qualitative data. Quantitative data is concerned with discovering facts about social phenomena and assume a fixed measurable reality, whereas qualitative data is concerned with understanding the human behavior from the informant's perspective and by that assumes a dynamic and negotiated reality (Kuada, 2018). As a result, the quantitative research techniques are most often related to positivist/objectivist-oriented researchers, contrary to the qualitative research techniques more relating to the socially constructivist/interpretivist researchers (Arbnor & Bjerke, 2009). Most notable distinctions among the two are the methodological differences in which data is gathered, as the quantitative data is generated through measurement of numerical information, in contrast to qualitative data gathering is generated through descriptions from e.g. participant observation and interviews (Kuada, 2018). Through the aforementioned philosophical and paradigmatic relevancy of qualitative research for the interpretivist paradigm of this research paper, the qualitative research is deemed most relevant.

As the qualitative research is conducted, the researcher conducting the data gathering will ultimately become an integral part of the data, as the active participation of the researcher is required. The design of the study can thereby, following this method, be adjusted or changed in the process (Kuada, 2012). In accordance with the involvement of the researcher, the researcher gains advantage through an insider's perspective of the phenomena. This gives the researcher more possibility to find often subtleties and complexities often missing by the more positivistic/objectivist associated quantitative data research (Kuada, 2012).

The limitations of this type of research is most often seen in the lack of validity and reliability associated with the data gathering method. This can comparably also be in relation to

the subjective nature of qualitative research and its foundation in singular contexts. This is further factored in as the method of data collection and the time required is most often also considered lengthier and time consuming.

3.4 Data Collection

In order to realize the qualitative research design for this study, a secondary data collection procedure is made use of. The secondary data collected here pertains to academic journal articles; company reports, databases and textbooks, and other reputed and published literature which has helped uncover the facts and pursue a robust research strategy. This was done with the research problem statement and topic of entrepreneurial leadership in start-ups in mind, and was accordingly with a subjectivist mindset of searching for social phenomena and varying perceptions in the data. The use of case studies is also leveraged in this research to be able to make use of connections between theory and the real-life applications of those notions that support the research propositions. While the information for the case studies could have been taken from a number of segments and industries for diverse perspective generation, Sorescu, Frambach, Singh, Rangaswamy & Bridges (2011) and Morris, Shirokova, & Shatalov (2013) argue that focusing on a single industry or sector is more beneficial as in-depth details can be found out about the development of the business model and innovation with better justification and grounded enlightening of the outcomes.

For the purpose of this research, the high-tech segment is chosen for the study of entrepreneurial leadership stances and case studies that reflect examples from the aviation and aerospace (SpaceX CEO Elon Musk), and transportation (Uber CEO Travis Kalanick) as the ones demonstrating entrepreneurial leadership and its various facets in bringing growth and innovation or decline to the business model. The choice of the case study organizations is random and based

on their current level of innovation and growth/decline and bad reputation in their respective industries.

Chapter 4: Literature Review

4.1 Entrepreneurial Process

The entrepreneurial process is a means of creating wealth as it challenges the 'dominant logic' (Prahalad & Richard, 1986) of operation by leveraging the power of creativity and innovation. As a change agent, the entrepreneur is supposed to be the natural-born leader who is capable of converging different circumstances and situations with his entrepreneurial intuition and the fundamentals of leadership theories. The available literature on entrepreneurial leadership is one where an entrepreneur is mostly seen as a risk-taker who is more focused at identifying, valuing and seizing opportunities through innovation for the sake of fulfilling his entrepreneurial aspirations, often compromising stakeholder wealth creation and common good. The divergent themes on entrepreneurial leadership have made it challenging to measure or qualify the role of an entrepreneurial leader on innovation and business-model disruption, in addition to the external factors.

4.2 Who is an Entrepreneur?

In the field of economics, the work of Schumpeter (1936) and Grebel (2004) hold importance as both of these researchers viewed an entrepreneur as a leader and differentiated from that of a manager. The anthropological perspective supports this notion of an entrepreneur being a risk-bearer as an entrepreneur is one who takes risks and does things that are not routinely conducted in the course of business and this pursuit comes under the wider ambit of leadership which is about inspiring and motivating people to come out of their comfort zones and challenge

the obvious for the creation of something new and unique. Entrepreneurial leadership is found to be more embedded in the social roots of association and dominance (Arena & Dangel-Hagnauer, 2002) where in the event of new and unique opportunities, the entrepreneur is able to mold the mindset and the thinking of the rest of the social class to turn it into his followers and become the center of attraction. Combining it with the Schumpeterian proposition, an entrepreneur is the economic leader of the market because he is able to balance the notions of capitalism and economic rationality for the benefit of all.

4.3 Entrepreneurial Leadership

In the field of sociology, the work done by Weber comes in handy wherein the use of legitimate authority explains the intent and the degree of entrepreneurial leadership in modeling innovation. According to Weber (1978), legitimate authority can be rational, traditional and charismatic. The rational form establishes legal authority, the traditional form establishes authority on the basis of traditions and rituals in specific cultures and contexts, and charismatic authority is induced on the basis of the individual's personality, character, attitude and specific traits. Hartmann (1959) asserted that the rational and traditional forms of authority are mostly enjoyed by managers and high-echelon executives as a part of their position and respect in the organizational structure or cultural beliefs. Entrepreneurial leadership, on the other hand, encompasses charismatic authority because it is the unique specialty of the entrepreneur's personality that sets him apart from an ordinary man and this exemplary feature makes an entrepreneur considered as a leader.

From managerial perspectives, Peter Drucker considered innovation as a subset of entrepreneurship (Drucker, 1985) wherein an entrepreneur exercises different strategies in order to make his leadership deliver results. It correlates with the situational leadership dimension wherein an effective entrepreneur has to regularly introspect and alter his strategies and leadership

style to match the circumstances. This research utilizes underpinnings from the leadership literature as evident from figure 4.

Kotter (2001) asserted that every business domain and sector has its specific requirements and an entrepreneurial leader is able to differentiate the work from that of a manager by setting new directions, and aligning and motivating people as against the conventional tasks of budgeting, and organizing and controlling respectively. Their perceptions and decisions towards change hold the potential to alter the thoughts and actions of the followers which is one of the biggest competencies in entrepreneurial leadership. An entrepreneurial leader is able to drive innovative change by setting priorities for a stabilized organizational culture, fostering trust and loyalty among the subordinates, and managing the competing views to see the big picture (Bunker & Wakefield, 2006).

	Perspective	*Domain*	*Theories*
Leaders, Manager and change	Manager Vs Leader's activities for success	Changing thoughts and actions of others to achieve leadership	A leader effectively manages the business and people priorities to stabilise the organisation
Leader-Member Exchange	Leadership outcomes vary depending on the leadership style	Two-tier measure of relationship between leader and follower	LMX positively correlated towards performance and delegation
Creative Leader	Behavioural, trait and attributes based perspective	Effective leadership has creative skills, innovation, planning and influence	An effective leader is dependent on the leader's ability to solve social complex problems
Informal/ Peer Leader	Leadership outside the organisational context	Role differentiation, Individual's position on team, interaction with others and behavioural context	Informal leaders are viewed as peer leaders can influence others and improve performance

Figure 4: Leadership Literature Overview (*Source: Huynh, 2007, p. 23*)

Mumford (1986) identified the role of contexts and differing situations on the effectiveness of entrepreneurial leadership and its potential in driving business model innovation. He asserted that no one-size-fits-all strategy can be deployed in all kind of circumstances to be an effective leader and hence, an entrepreneur possess the required level of insight, intuition, and creative capacity that helps him decide the moderating role of influence on the attainment of the desired goals. Marta, Leritz & Mumford (2005) adds to the understanding by asserting that effective entrepreneur exercise social leadership (Figure 5) through the creative application of their cognitive skills when planning under complex, uncertain, and risky conditions.

Task leaders	Social Leaders	External Leaders
Helps focus the team on its goals	Contributes to harmony within the team	Promotes the team well within the community
Helps clarify responsibilities for team mates	Ensures team mates are involved and included in team events	Represents the team's interests in meeting with coaching staff or organisers
Assist in decision making	Helps solve interpersonal conflicts that may arise within the team	Attempts to secure necessary or desired resources, support and recognition for the team
Offers instruction to team mates when required	Offers support and is trusted by team mates	Buffers team members from outside distractions

Figure 5: Task, Social, and External Leaders- Behavioral Characteristics

(Source: Loughead et al., 2006)

Todd and Kent (2004) put forth the significance of understanding peer leadership and informal team roles in entrepreneurial leadership to define and justify the emergence of innovative business models in start-ups. Corroborated by Grusky (1963), conventional leadership focuses on formal roles of a leader with defined task and behavior boundaries. However, in the current circumstances of ambiguity, fast-paced technological advancement and complex business models,

the entrepreneurs are supposed to combine the instrumental and the expressive orientations that help them manage innovation in external business contexts too.

Loughead, Hardy & Eys (2006) conducted a study to analyze the gaps between leadership and entrepreneurship literature and found some overlapping areas in which the two have significant commonalties. Entrepreneurial leadership emerges in more turbulent and competitive environments when the leader is more than a manager and has to depict leadership that combines the traits of entrepreneur and a leader. It is a differentiated form of leadership where the behavioral form of the leader is different from a general leader as the former is supposed to kick start innovation and sustainability in comparatively more uncertain and complex environments. Figure 6 below depicts how leadership and entrepreneurship literature coincide and what conclusions can help determine the role of entrepreneurial leadership on innovation and start-up business models. Vecchio (2003) highlighted that the leader-member exchange theory and the construct of followership in leadership literature justifies how an entrepreneur is able to inspire and motivate the subordinates. He further asserted that entrepreneurial leadership is associated with a unique competence of social intelligence which enables the entrepreneur to read others' emotions and feelings and induce positive reactions for effective persuasion, especially in the opportunity conceptualization and commercialization phases which are the most difficult and face maximum resistance from the stakeholders.

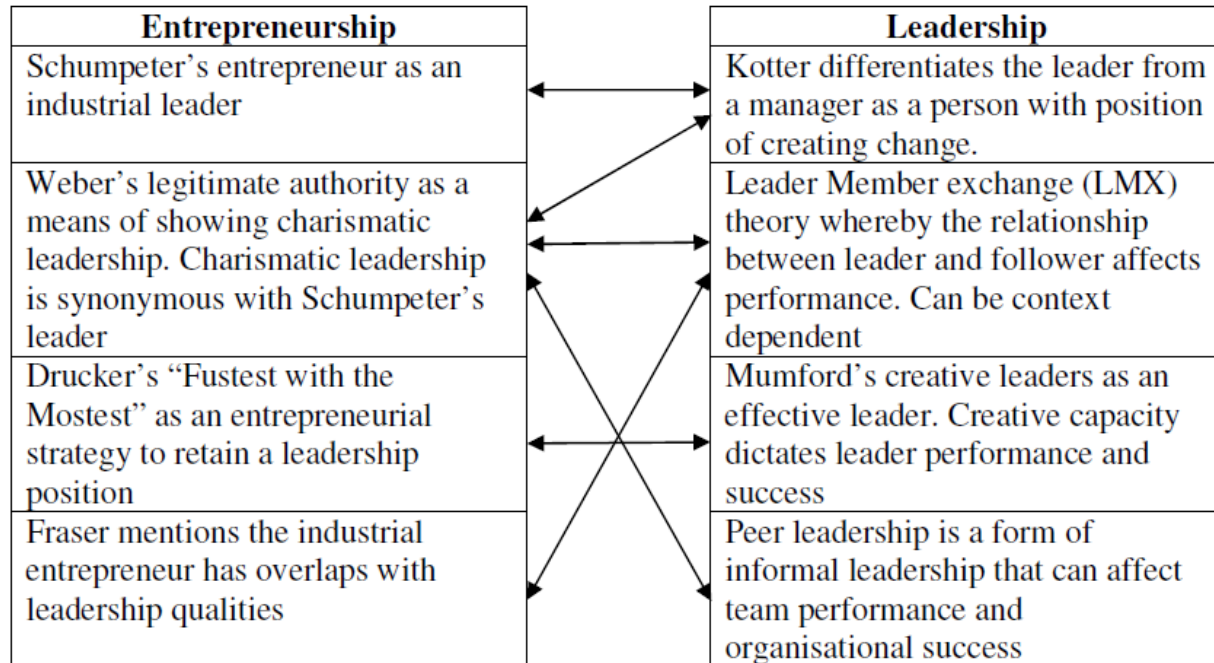| Entrepreneurship	Leadership
Schumpeter's entrepreneur as an industrial leader	Kotter differentiates the leader from a manager as a person with position of creating change.
Weber's legitimate authority as a means of showing charismatic leadership. Charismatic leadership is synonymous with Schumpeter's leader	Leader Member exchange (LMX) theory whereby the relationship between leader and follower affects performance. Can be context dependent
Drucker's "Fustest with the Mostest" as an entrepreneurial strategy to retain a leadership position	Mumford's creative leaders as an effective leader. Creative capacity dictates leader performance and success
Fraser mentions the industrial entrepreneur has overlaps with leadership qualities	Peer leadership is a form of informal leadership that can affect team performance and organisational success

Figure 6: Entrepreneurship and Leadership Overlap *(Source: Huynh, 2007, p. 31)*

It may be asserted that entrepreneurial leadership may go awry at times when the entrepreneur is not able to control his anxiety or excitement to innovate, but Vecchio (2003) argues that the role of neutralizers and critics in this respect is to control the entrepreneur's unnecessary behavior in terms of superfluous innovation and non-feasible risk bearing. Cogliser & Brigham (2004) take note of the traits of creativity, envisioning, and influence from the leadership literature to reinforce the fact that entrepreneurial leadership is able to model innovation because the entrepreneur serves as the source of inspiration and communicates the vision to the followers in a manner that is easily understood and embraced. Mumford, Dansereau, & Yammarino (2000) find this LMX theory to be overlapping with the management competency of planning that helps an entrepreneur in opportunity-identification and advantage-seeking periods for managing change for innovation.

Tarabishy, Solomon, Fernald & Sashkin (2005) highlights that the conceptual development of entrepreneurial leadership is rooted in the theories of transactional and transformational leadership where the former is more focused on establishing and maintaining economic exchanges between the leader and the follower. Transactional leaders are outcome-oriented and make use of power and authority to reward or punish the subordinates. Transformational leadership, on the other hand, is more focused on the development and retention of relationship and mutual understanding between the leader and the follower as the means for motivation and inspired influence. This makes transformational leadership to be more closely related with entrepreneurial spirit for innovation as the entrepreneur is able to make everyone adapt to environmental changes and turbulences by evoking individual strengths and their willingness to excel (Gupta et al. 2004). Bass (1985) also contended that in the case of entrepreneurial leadership where the process of innovation is uncertain and full of challenges, the entrepreneurs often make use of situational leadership style which is a mix of the transactional and transformational styles to accurately gauze the conditions and respond accordingly.

4.4 Entrepreneurial Leadership: Models and Theories

Based on the above theoretical underpinnings and gaps in literature correlating entrepreneurial leadership and leadership development theories, a conceptual framework can be designed to ascertain the entrepreneurial decision making that helps determine the degree of innovation emerging out at different levels. Entrepreneurs are now foraying into multiple sectors and categories and their ventures differ on the basis of the size of their investment, efforts, ambitions and aspirations. Known as the 'investment model' of the venture, the developed business models can be subsistence, income, growth and speculation (Table 1). The motives of the entrepreneur when developing each of these business models is given in the table below:

Type of business model	Characteristic
Subsistence	Survival and meeting financial obligations
Income	Generating stable revenue and income streams
Growth	Reinvestment to create value and capital gains for investors
Speculation	Demonstrate and derive venture potential

Table 1: Business model type framework with entrepreneurial decision making

(Adapted from Morris, Schindehutte & Allen, 2005)

After the foundation level is the proprietary level of business model decision making and is unique to every venture because it is in this level that unique resource and skill combinations are deployed by the entrepreneur to innovate and bring novel ways of working. The foundation level may be replicated but the proprietary level cannot, since it is based on the interactions of intangible aspects of intuition, enthusiasm, emotions, commitment and other entrepreneur-specific components. The last is the 'rule' level which implies the strategies and the boundary rules for operations in the given venture. To an extent, these rules help develop the culture and structure of the firm and lead to innovation if all the three levels are inter-related and integrated with a sense of shared purpose and understanding.

In innovative business model development, the role of tacit knowledge, intuition and personal judgment of the owner/entrepreneur has been acknowledged. In the case of innovative business models utilizing new product or market development, much of the innovation and its subsequent success depend on the prior planning and personal judgments of the entrepreneur, based on his market research, considerations of the venture's resources, and an iterative process of effectuation (Sarasvathy, 2001). When high-tech and low-tech firms are considered and compared, it is found that the former need more market financing and hence, the process of innovation in

these firms is more formalized, consolidated and focused on superior performances which are routinely recognized and appreciated by the entrepreneur.

Literature reveals that the skills, competences, and entrepreneurial leadership may lead to different forms of start-up business models, owing to the fact that the entrepreneur has to match the resources with the complex and the changing environment conditions (Tidd, 2001). Table 2 below depicts the four environments and the entrepreneur's responses to each.

Type of environment	Entrepreneur's Response
Differentiated (Low uncertainty, low complexity)	Shopkeeper (Traditional, informal planning, unstructured)
Innovative (High uncertainty, low complexity)	Salesman (Intuitive, strategic, based on established technology)
Networked (Low uncertainty, high complexity)	Administrator (Structured, imitated innovators)
Complex (High uncertainty, high complexity)	The CEO (Structured, strategic, radical, novel)
	Adapted from Tidd (2001)

Table 2: Type of environment in business model innovation and entrepreneur's responses to each

It is also posited by Venkataraman (2004) that entrepreneurial leadership in terms of technological advancement and business model innovation is more prominent in high-tech firms because of the entrepreneur's access to better resources and knowledge. The imperatives of protecting the innovations, making sense of the opportunities, questioning the dominant logic, and revisiting the simple questions are at the heart of strategic entrepreneurship and leadership behavior which is managed through advantage-seeking and opportunity-seeking traits respectively. In the case of low-tech and small firms, it entirely depends on the network and the informal market research of the entrepreneur and hence, the commercialization of the proposed innovation in small start-ups and innovative business models may not be successful as expected. In high-tech firms, both internal and external support is valuable and available that helps enhance the venture's

existing practices around process and product technologies and also make the entrepreneur's leadership context to be more favorable (Swiercz & Lydon, 2002).

4.5 Qualities & Characteristics

1. *Resilience & Adaptation*

Being resilient and able to adapt to new situations is a fundamental feature of entrepreneurial leadership. Obschonka & Fisch (2018) suggest that being resilient strengthens entrepreneurial innovation and disruption because it leads to a kind of 'destroy and create' cycle, whereby new material is being consistently produced and reproduced in place of the old. Good entrepreneurs can even lead to industries becoming obsolete (Obschonka & Fisch, 2018).

2. *Leading Employees & Vision*

Essentially, the entrepreneurial leader uses the vision to lead employees. Yukl (2002) expands on this quality by suggesting that leadership is the process of uniting a team that agrees with a core vision, and understands how actions can be implemented to achieve the tenets and goals of that vision (Yukl, 2002). Fernald et al. (2005) identify that a vision requires understanding there is a competitive niche to fill, and learning how to fill it. Leadership can be exemplified in a number of ways, but primarily refers to the way entrepreneurial leaders galvanize their base of support. Effective entrepreneurs understand how to leverage the vision to get what they want—motivated and secure followers.

3. *Calculated Risk Taking & Confidence*

Alton talks about calculated risk taking and self-confidence as essential for entrepreneurial leadership. This means taking risks that are meaningful, or else facing backlash. Confident leaders are able to convince relevant stakeholders to purchase their products or services (Alton, 2019).

Confidence is also required for dealing with stakeholders who might be important for the company's future directions, such as solidifying deals or making connections.

4. *Problem Solving & Strategic Initiatives*

Fernald et al. (2005) highlights the quality of problem solving and being able to undertake strategic initiatives. This involves task oriented (functions and facts), consideration-oriented (people) and effective (related to quick decision-making) problem solving styles. Corporations undertake strategic initiatives when they realize that it is possible, they will have to conform to large-scale and sweeping changes. In this way, corporations frequently upgrade their repertoires by shifting values, rather than by drawing on smaller changes (Fernald et al, 2005).

Chapter 5: Conceptual Framework

The literature review has outlined tenets of what makes a good entrepreneurial leader, and has also provided insight into what entrepreneurial leadership may look like in lieu of other theories of leadership. Entrepreneurial leaders tend to be transformational, rather than transactional, because they are focused on bringing people together in order to achieve results. They are frequently dynamic, creative and have vibrant personalities, able to express resiliency and adaptation to change. Entrepreneurial leaders also exhibit social intelligence, which makes them more attuned to their followers' needs. They are often adapting to the needs of new markets, products and customer profiles.

The literature will help guide the research questions in the following way. The concept of innovation is fundamental for understanding how businesses disrupt existing industries. At the same time, effective leadership is one of the most important components of a business, as leaders motivate their followers to achieve results that are in-line with company goals. This is how the first research question will be answered. The second and third research questions will be answered through close examination of literature and media sources related to Kalanick and Musk (more recent), and bringing these in-line with ideas about entrepreneurial leadership.

In terms of the strategy pursued, the paper will use a primary deduction approach, whereby existing literature (i.e. characteristics related to entrepreneurial leadership) will be used to make assertions about Kalanick and Musk and connect these with disruptive innovation. The literature will serve as a backdrop for understanding how features of entrepreneurial leadership, when utilized properly, lead to disruptive innovation in sectors. The idea of disruptive innovation—that leaders bring about chains of events leading to the recreation of entire industries—is fundamental for the research.

Chapter 6: Discussion and Analysis

Entrepreneurial leaders are considered to come from some rare species as they combine the traits and skills of both leaders and entrepreneurs and have certain specialties that make them stand apart from mere managers and leaders. Amidst dynamic organizational environment and resistance-prone followers' attitude, entrepreneurial leaders motivate, inspire and organize the resources to attain the common and novel objective/s. As evident from the literature on leadership and entrepreneurship, the entrepreneurial leaders demonstrate exceptional communication skills to weed out ambiguities and avoid generalizations. They possess a specific vision and are ready to support the followers to establish the common sense of purpose and understanding.

Unlike conventional managers/leaders, they do not make use of power or punishment to bring people on-board. Rather, entrepreneurial leaders are highly confident and have immense self-belief that inspires the people to come with them. Their self-assurance, degree of experimentation with calculated risk-taking, acknowledging others' contribution, and being involved in everyone's tasks and activities define the collaborative atmosphere in which entrepreneurial leaders and their team work. True entrepreneurial leaders are highly patient with results and do not allow others to give up easily. Their honesty, deep understanding of the big picture, character integrity and the ability to constantly learn and foster a learning environment are the cornerstones to their innovative mindsets that shape new business models or lead to disruptions in the existing ones.

The importance and the application of entrepreneurial leadership on innovation in start-up business models is grounded in the human capital development through the use of increased employee engagement, individual innovative behavior and staff activities that drive innovative work culture. Kim & Park (2015) argue that individual ideation and creativity are useless unless they are passed on to peers and coworkers to be utilized in the problem-solving process. This

makes entrepreneurial leadership stand apart because the entrepreneurs are social leaders who pass on their skills, knowledge and information to the followers that lead to the development of an innovative work behavior. It works at various levels of hierarchy and improves the implementation of innovation process which is more important than the ideation one, because ideas without execution are of no use in business.

Entrepreneurial leaders are adept at making use of their power and authority in the right context and in a balance approach to lead the innovative work behavior of their staff. It majorly takes place with the help of trust, confidence and assurances which the entrepreneur exudes through his careful planning, calculated risk-appetite, never-give-up attitude and concern for all. Jung, Wu & Chow (2008) further assert that entrepreneurial leaders do not fall back when it comes to sharing new ideas and perspectives with the staff and it is their primary quality which is at the heart of innovation in any business. As transformational leaders, entrepreneurs exercise the balanced mix of inspirational motivation and idealized influence that encourages the staff to accept challenges, be optimistic in their problem-solving approaches and embed ethics and sustainability when trying to decipher novel ways of doing and staying in business. The overall experimentation mindset that prevails in the organization makes way for positive change appetite and the new business model is suitable and ready to embrace contemporary practices and work approaches that match with the changing externalities (Ismail, Mohamad, Mohamad, Rafiuddin, & Zhen, 2010).

Research Question 1: How does entrepreneurial leadership directly affect innovation and indirectly lead to business model disruption in high-tech firms?

"Disruption describes a process whereby a smaller company with fewer resources is able to successfully challenge established incumbent businesses" (Clayton et al, 2015). According to Clayton et al (2015), one of the qualities of disruptive innovation is sustaining innovations, which applies to Uber, the authors suggest. Disruption often causes prices within markets to fall because customers get a hold of new technology, and often begin to prefer it, using it to the alternative. It takes time for new technology, service or product to 'catch up' because customers need to know that it can effectively replace the old product. Disrupters create business models that are often much different from those of the existing system.

In this case, Uber can be viewed as a disruptive technology, as can Elon Musk's various ventures. "Entrants that prove disruptive begin by successfully targeting those overlooked segments, gaining a foothold by delivering more-suitable functionality—frequently at a lower price" (Clayton et al, 2015). In the case of Uber, the company was able to offer a more affordable alternative to taxi companies.

In the same way, Musk's ventures can also be viewed as disruptive. Accounts on this vary—just as accounts on Uber vary—but the general consensus is that Tesla has done something innovative. According to Hovis (2014), electric vehicles built by Tesla have already surpassed those of brands like Mercedes and BMW. He has also created the world's biggest factory for batteries. No private company or government has—until Musk's SpaceX—been able to develop a rocket that can be successfully reused. Musk also plans to build one of the biggest solar panels viewed to date (Hovis, 2014).

We can see how entrepreneurial leadership plays a role in this. Musk's technologies are disruptive simply because they present a different vision of the world, while Kalanick's are disruptive because they entered into a lucrative field, essentially 'replacing' the taxi industry. In

terms of entrepreneurial leadership, both figures show positive qualities, even though Kalanick has been increasingly criticized.

The following section is a leadership analysis that will help to answer research question 1 and 2. Research question 2 A describes the entrepreneurial leadership qualities of Kalanick and Musk, making somewhat of a comparison. However, the key is to understand how each of these leaders used their leadership skills—specifically, in an entrepreneurial way—to strengthen their brands and disrupt existing markets. Specifically, it will talk about entrepreneurial leadership qualities such as resilience and adaptation, setting work culture, leading employees, vision, problem solving, strategic initiatives, calculated risk taking and confidence. Through utilizing these gifts and skills, the entrepreneurs in question were able to create innovative developments that challenged existing archetypes and models in the field.

Research Question 2 A. What are the entrepreneurial leadership qualities of Elon Musk and Travis Kalanick?

6.1 Elon Musk Entrepreneurial Leadership Analysis

6.1.1 Introduction

"*Nations hire him to get to outer space. His solar company is cash-flow positive. His electric supercars seat seven. Superheroes emulate him. He wants to die on Mars. He is… Elon Musk.*" (Yauney, 2018)

Elon Musk needs no formal introduction for him, with his immensely successful business model innovations and entrepreneurial leadership capabilities have captivated the world. His childhood memories are those of a bullied child who later went to the Stanford University for a doctoral degree in Applied Physics. His inner passion towards entrepreneurship made him leave

the program and pursue his ideas that went to transform the conventional start-up norms. He is currently holding positions in Tesla Motors, SpaceX, SolarCity, Zip2, PayPal and OpenAI. All of his ventures in each of these different segments raise the operations and performance bars because his ideas and novel experiments are based out of his visionary and never-give-up attitude. Elon Musk is said to demonstrate the transformational style of leadership which is further associated with his personal traits of perseverance, incredible vision and not accepting failure anytime (Calhoun, 2016). He holds the capacity to make people believe in his vision because he himself is so sure and confident of his ideas that others are ready to support him in his entrepreneurial endeavors.

6.1.2 US Culture for Elon Musk & Companies

In bringing out some of the most advanced business concepts in high-tech segments like space travel, transportation, sustainability and renewable energy, etc., the role of Musk's entrepreneurial leadership is highly significant. However, the cultural and personal factors are also responsible. The United States as a culture reflects individualism and masculinity where wealth, social status, achievements and personal growth are emphasized upon. Innovation and entrepreneurship are the two cultural aspects in the US which run parallel to the American Dream of being the best (Pofeldt, 2013). Despite the severest of recession, the US witnessed an increased entrepreneurial activity and it reflects that the Americans are highly optimistic and perseverant regarding their passion and entrepreneurial dreams.

According to The Economist (2009) insights, the US economy is one of the best when providing finances and resources to the realization of entrepreneurial dreams in different sectors and industries. Venture capital and start-up funding is an integral part of the US GDP and private sector economy and in addition to it, the Universities in the US have strategic ties with some of

the best academic institutes around the globe that offer exceptional academic insights and research resources. The US has an open immigration policy and it is even sad that half of the Silicon Valley is set up by immigrants. Perhaps, this explains how Musk got the desired freedom to pursue his aspirations in Silicon Valley and launched a rocket factory out of Silicon Valley, despite being an immigrant from Canada.

The Americans are so passionate for innovation and entrepreneurship that they are ready to pay premium to avail such services or even learn new skills and competences to be able to define new possibilities. These external and cultural factors have had a long-lasting impact on the entrepreneurial journey of Musk who received the desired finances, empowerment, freedom and regulatory support to continue his search for excellence. The optimism and passion inbuilt in the American culture have been shaping Musk's entrepreneurial leadership traits and abilities that are discussed below.

Based on the literature review conducted in the previous chapter and the discussion above, Musk's entrepreneurial leadership demonstrates his major qualities to be a proactive learner, a visionary, an optimist and a hard-working person. These leadership qualities by Musk in his ventures and start-ups have made the players learn the importance of establishing and developing a learning work environment, exemplary leading, compliance with the mission and goals, and fostering workplace positivity (Kansikas, Laakkonen, Sarpo and Kontinen, 2012).

The attitude to learn proactively and be curious at all times is attributed to his childhood when his parents were divorced and he had all the time to explore the world. Since this time to his later adulthood, Musk was into an iterative process of experimentation and learning, making rockets, bombs and other projects that fueled his entrepreneurial dreams and passion to create something new and unique (Warren, 2012).

6.1.3 Resilience & Adaptation / Setting Work Culture

According to Giannantonio & Hurley-Hanson (2016), Elon Musk has had a rather dynamic career, frequently shifting his focus and adapting to various modes of status quo. The tech entrepreneur started the company, PayPal, to make possible payment through digital means. Later, Elon Musk began in the industry of manufacturing electric cars. His most recent entrepreneurial venture is known as SpaceX (Giannantonio & Hurley-Hanson, 2016), where the famous entrepreneur tackles issues of space exploration and resource acquisition. Musk's journey through many entrepreneurial ventures, rather than just choosing one, is a testament to his ability to grow and adapt as an entrepreneurial leader.

This is in-line with some of the statements made by Bunker & Wakefield (2006), who provide a key element of entrepreneurial leadership. It is about driving innovative change by setting priorities that foster a stable work culture (Bunker & Wakefield, 2006). As we have seen through the literature, Musk has made efforts to adapt to changing times and parameters, delving into various business and executive roles. This is a testament to his ability to be both resilient and adaptive, and also to motivate his employees to be the same way.

Obschonka & Fisch (2018) note Schumpeter's theory of entrepreneurial innovation, which is fundamentally disruptive. Schumpeter called the act of developing economically "creative destruction" (Obschonka & Fisch, 2018, p. 852), meaning that existing models, frameworks and industries were often toppled over to make room for innovation, whether in the same or different industry. Here, economies are described as going through a death and re-birth process, where entrepreneurs challenge the status quo by generating new services and products that become marketable and pliable. In some cases, industries may even face becoming obsolete (Obschonka & Fisch, 2018).

Musk's entrepreneurial adaptation shows a leadership quality related to Schumpeter's ideas about entrepreneurial innovation. For instance, when Musk found that there is a need for PayPal, he was quick to institute and develop the platform. Evidence suggests that Musk had an instinct for knowing when to adapt to changing times, particularly as PayPal hit pay dirt. According to Whigham (2018), Max Levchin and Peter Thiel were two additional entrepreneurs who had invested in the PayPal platform. This platform defined a generation, and all of those working on it became successful venture capitalists (Whigham, 2018). Musk is arguably adaptive to new circumstances and able to pinpoint innovative markets that require development.

Alton (2019) suggests that the ability to adapt is fundamental for entrepreneurial leadership, which also comes with "an eye toward the future" (Alton, 2019). A successful entrepreneurial leader will think about future directions quite often, in addition to being mindful of long-term potential problems. The ability to adapt is important because of the changing nature of businesses and the broader world market. For instance, YouTube began as a dating site, but transformed into something completely different and ever more successful. In addition to this, leaders like Jeff Bezos have favored long-term investment that might lead to short-term loss, but is good for the company more generally (Alton, 2019). This is visionary thinking.

Biography (2017) details the way Musk was able to achieve various entrepreneurial goals by being resilient and adaptive. As a hard worker, Elon again learns from his childhood when he had little money but big dreams to achieve. This made him work at farms and other part-time jobs to achieve what he wanted. This explains how Musk is able to financially manage his multiple ventures because despite his ventures being financially-intensive and requiring huge funds, he is able to balance the flow of revenue and profits to reinvest and convert all start-ups into positive cash-cows. His hard work also makes his work ethics so strong that he has earned high degree of

credibility among people and he is respected and followed for his devotion to work.

Musk was able to juggle multiple ventures, and even these ventures required adaptation to changing norms and standards. Biography (2017) notes in November 17th, there was a setback as the Block 5 Merlin engine exploded during a test. Musk announced that this would not deter the rolling out of Falcon 9 Rockets. In February of 2018, Tesla launched its Falcon 9 rockets. The Falcon 9 was one of the first vehicles in Tesla to go up in space, followed by the Falcon Heavy, a car that veritably orbited Earth (Biography, 2017) and was even broadcast live for viewers to watch.

Principles from Alton (2019) can thus be applied to Musk in this context. Musk recognized that there was a future in space technology and exploration, using his education and interests to guide him meaningfully. Musk's successes with his space technology effectively led to the development of additional technology. For instance, the Block 5 Falcon Rocket came after Falcon 9 rocket in 2017. In February of 2015, Tesla (Musk's technology company) launched a Falcon 9 with a DSCOVR (Deep Space Climate Observatory) satellite attached to it (Alton, 2019).

That each new development came shortly on the heels of a previously successful one indicates that Musk is an adaptive character, who is able to understand how to leverage existing capacities. Today, Musk is launching about 60 satellites into space (Biography, 2017), understanding that space technology is currently a hot topic and a good business direction to continue moving in.

Another example of Musk displaying adaptation and long-term thinking is his satellite network, called Starlink, which would "ideally make broadband service more accessible in rural areas, while also boosting competition in heavily populated markets that are typically dominated by one or two providers" (Biography, 2017). Musk is thinking about solving a social issue (lack of internet access for those living in rural and remote regions), as well as a business one. He

considered that customers in populated zones, such as urban areas, might want additional internet providers to choose from in landscapes where only two or three are available.

6.1.4 Leading Employees

This personal learning journey of Musk is evident in the learning culture of his organization that makes the staff pursue their ideas and make them implementable with lots of experimentation and learning in a patterned way. This allows the people to taste failure and be aware of their mistakes, weaknesses and other hurdles that are tried to be removed next time. As such, innovative work behavior is fostered by Musk with the help of employee empowerment in taking creative decisions and strengthening the innovation ideation phase.

Umoh (2017) shares the way Elon Musk has been able to motivate his employees in a positive way. This is especially evident at SpaceX. Musk has cited reducing 'noise' is crucial, and getting senior managers engaged in promoting the company's needs through training and assisting junior faculty. Musk has been quoted as saying the following: "Leaders are also expected to work harder than those who report to them and always make sure that their needs are taken care of before yours, thus leading by example" (Umoh, 2017). In this sense, Musk motivates employees by keeping leadership positive and ready to support staff members.

Goudreau (2017) further strengthens this assertion by suggesting that one of Musk's tricks to getting employees to work effectively is having them take ownership of their work. Ashlee Vance, a biographer who interviewed Musk, suggested that the entrepreneur does not set arbitrary deadlines and tell his employees they must meet them (Goudreau, 2017).

This is a principal feature of entrepreneurial leadership. As noted by Yukl (2002), leadership is the process of getting a group of teammates to agree with one's vision, understand how to act and effectively implement actions. There are shared objectives that must be met (Yukl,

2002). Musk runs a veritable powerhouse of a company, and SpaceX is currently one of the biggest technology firms in the world. Goudreau (2017) notes Musk's firm requires a high degree of cooperation and collaboration, with commitment from members (Goudreau, 2017). Through allowing team members to have autonomy, Musk employs a fundamental tenet of entrepreneurial leadership, which is developing a vision and facilitating collaboration so that needs of the vision are met.

As an entrepreneurial leader, Musk understands that before expecting hard work from the followers, he has to raise the bar for himself. He leads by example which has a serious impact on the followers in terms of consistency and reliability. The inspirational motivation and idealized influence aspects of his transformational leadership style step from his hard work and being open and truthful to the people. As a result, there are less ambiguities and suspicion and greater trust and confidence in the leader's vision and acts that lead to a creative and execution-oriented work environment. He is said to be democratic when seeking feedback and participation, autocratic when soliciting compliance and servant when making people believe in his vision and bringing them together to realize the vision.

6.1.5 Vision

Vision is a key component of entrepreneurial leadership. Fernald et al (2005) note the concept of vision, as interwoven with entrepreneurship and leadership, has only been recently studied in the 20th century or so. Visions are developed by "explicitly identifying a domain for competitive behavior, a set of sources for competitive strength, and a profile for resource capability" (Fernald et al, 2005, p. 3). Visions should be realistic and feasibly implementable. They are mediated by logistical concerns, manager leadership style, access and financial resources in a firm (Fernald et al, 2005).   Elon Musk is

known for his grandiose visions that inspire people. There are several of these. According to Tesla's

Canadian branch (2020), one of his visions was to create a self-sustainable battery pack, which

was achieved with Powerlink. His principal goal with SpaceX is to create a self-sustained

civilization on Mars. For this end, Musk creates countless satellites and other pieces that orbit

Earth and analyze cosmic information. He is also the creator of Neuralink, a company that is

developing a new way to allow the brain to communicate with computers, including inter-brain

attachment. He also hopes to battle contemporary urban traffic with an entirely electric

transportation system (Tesla, 2020).

To a great extent, the visionary capabilities of Musk are also a part of his successful

entrepreneurial leadership because making the world a better and sustainable place are his ultimate

vision aspects that drive him to excellence and innovation. In this pursuit, Musk often gets blunt

and autocratic but his convincing power and the ability to constantly thing of novel resource

combinations attract the most talented and brightest minds that accompany him in his innovation

voyage. His vision of a sustainable and a better future for the mankind makes everyone connect

and relate to the greater good and the vision that holds the potential to their future development.

As such, despite his command-and-control style at times, he is able to create the desired sense of

urgency and make people embrace the proposed change as they are able to see the change benefits

that outnumber the short-term hindrances and losses.

6.1.6 Problem Solving & Strategic Initiatives

Fernald et al. talk about problem solving as inimical to entrepreneurial leadership, versus

general. According to the authors' *A New Paradigm: Entrepreneurial Leadership* (2005), there are

three types of problem-solving leadership styles and decision-making processes: task oriented,

consideration-oriented and effective. Within a task-oriented framework, leaders solve technical issues based on facts, whereas in consideration-oriented decisions, they must account for employees' and others' emotions and personal preferences. Effective leadership within a problem-solving context means solving a problem quickly, usually when a rapid resolution is necessary (Fernald et al, 2005).

We can see that Musk exhibits the qualities of problem-solving with his ability to handle failure, as well as his capacity for modification of plans. This was present in Musk's decision to keep going after the failure of one of the Falcon rockets. Satara (2018) notes Musk has said the following: "Failure is an option here. If things are not failing you are not innovating" (Satara, 2018). This comes with the disruption of markets through innovation and change.

Strategic initiatives are a big part of entrepreneurial leadership. Fernald et al. (2005) note now, corporations "undergo paradigm shifts rather than linear change" (Fernald et al., 2005, p. 4). This means that in many cases, there is a shift in values and orientation.

Musk's leadership exemplifies this almost at every step. Musk started several companies, investing in PayPal, before he launched SpaceX and Tesla. Musk changed the paradigm for his relative fields by innovating and setting a vision for the future. First, Musk was one of the first creators of electric vehicles, which shifted the focus on sustainable energy and transportation. It was also Musk who, after creating SpaceX, announced that it would be possible for humans to colonize and live on Mars (Tesla, 2020).

6.1.7 Concluding Remarks

It is not true that Musk did not fail in his entrepreneurial spirits. However, what makes him stand apart is his unwavering optimism that pushes him to continue striving for excellence. His memories of getting bullied always made him think of a brighter and better future and it is

exhibited in his entrepreneurial leadership attributes that make everyone try harder until the goal is achieved. Be it the electricity-powered automobile or his dream to set human colony on Mars by 2040 or providing solar energy as the new alternative for combating global warming concern; all of these innovative ideas are born out of the passion, curiosity, unconventional thinking and intellectual brainstorming of Musk who is also blessed with exceptional communication skills that '*attract an entire legion of workers to realize and support his dream*' (Stringham, Miller & Clark, 2015).

The communication style of Musk makes use of not only words, but also gestures, facial expressions and body language that exude high degree of confidence, assurance, authority, and positivity which are more than sufficient to mesmerize and convince the audience on his plans and ideas. He particularly makes use of words that convert 'failure' into a chance to improve and make people believe that with perseverance, optimism, and undying passion; one can achieve anything in the world. This kind of regular feedback and reinforced messages, Musk is able to keep his people motivated and boosted up for the innovation ideation and implementation processes.

Considering the contextual elements surrounding his high-tech ventures, his real-life experiences have made him learn a lot that led him take quick, rational, ethical and successful decisions. In all of his start-ups covering this planet or the space, the externalities were never favorable. There were uncertainties, risks, continual threats and the challenge of being 'sane' but Musk overcomes all these with his 'compliance to ethical standards' which is a potential characteristic of a social leader who understands the significance of ethical actions on the development of ethical work behavior amongst his followers. He manages objections and criticism by being open to it, as it serves as a means of change necessary to gather his courage every time and keep going despite all odds.

6.2 Travis Kalanick Entrepreneurial Leadership Analysis

6.2.1 Introduction

Travis Kalanick is the co-founder of Uber, and is estimated to be worth around $2.6 billion. According to a Forbes profile (2020), he co-founded Uber in the year 2009, and then left as CEO in 2019. In March of 2018, he announced a venture fund called 10100, where his for-profit and non-profit investments were combined. He is currently the CEO of a firm called City Storage Systems, which redevelops real estate that has been distressed. Aside from Uber, Kalanick also founded RedSwoosh, which is a company for file sharing, as well as Scour, a similar service (Forbes, 2020).

In the conventional transportation industry, the Uber business model was a radical shift when the co-founder Travis Kalanick innovated the way cabs and taxis were hired. As an entrepreneur, he disrupted the ride-sharing industry with his careful planning and passionate spirit until his growing misdemeanor interrupted the pace of innovation and made him leave the organization. An entrepreneurial leader, as evident from the literature review conducted previously should be flexible and adaptable in his activities and leadership style. The innovation sparked by Kalanick was surrounded with much of external turbulence and criticism and in these circumstances; his aggressive leadership style was beneficial at a point when he had to convince the supporters of his vision and the unique resource combination he was putting in place to attain that vision (London Business School, 2017).

6.2.2 Culture for the Introduction of Uber

Uber came in at a good time, and was a worthy candidate to replace taxi cabs and to make its way onto the metropolitan transportation scene. These days, driving in big cities can be frustrating and daunting, with traffic and populations increasing. Horn (2016) documents the way

Uber has been able to make it on the scene as a disruptive technology for traditional taxis. The author mentions that even during cases of surge pricing—when prices rise because of weather, holidays, high demand or other conditions—Uber is still often cheaper than a taxi. Even UberX, the entirely private service, is more affordable (Horn, 2016).

With high increases in ethnic diversity and population surges in cities, Uber also delivers and has entered the market at the right time, facilitated by the right climate. Its on-the-go app technology allows for customers to 'hail' the service from anywhere in a city (and sometimes outside of cities). Uber effectively takes care of traffic situations by making it less daunting to use transportation in metropolitan areas. Some customers even cite using Uber to get to work if they are late on the bus.

6.2.3 Resilience & Adaptation / Setting Work Culture

Some sources purport that Kalanick lacks the requisite leadership ability of self-awareness and he could not differentiate between when to get aggressive and when to stay calm (CNBC, 2017). In business model innovations, the unique idea proposed by the model may be done by someone else but the successful entrepreneur is one who is right and ethical at the right time, at the right place and doing the right thing always. It is said that in many cases, Kalanick exhibited a more aggressive style of leadership that was authoritarian.

Media sources also suggest that Kalanick was unable to deal with some of the hurdles that came his way in recent years. According to Lafrance (2017), much of 2017 was racked by scandals. An Uber engineer complained of sexual harassment, and there was a video leaked of Kalanick speaking with a driver from Uber. Kalanick also went through a lawsuit that alleged the entrepreneur had stolen some of its design elements from another ride sharing firm. Susan Fowler, the engineer who accused the company of having a toxic culture, even said a movie should be

made about Uber (Lafrance, 2017).

In the end, Kalanick was ousted from Uber. While the entrepreneur 'resigned,' it was clear that pressures had been mounting, and he lacked the measure of resilience and adaptation required to deal with them. In addition to the scandals, Kalanick was accused of only treating the bottom line—money—seriously (Lafrance, 2017). One obvious failure was not setting a proper work culture, which could have afforded Kalanick a way out of having a sexual harassment lawsuit leveled at Uber.

6.2.4 Calculated Risk-Taking & Confidence

On the other hand, there are dimensions of entrepreneurial leadership that have not been mentioned. Alton (2019) notes self-confidence and calculated risk-taking are essential or entrepreneurial leadership. Calculated risk-taking means being able to take risks that are worth the hassle, or potential backlash one may receive from something not panning out. Leaders who are confident have a better time with convincing investors to buy into their service or product. Confidence helps a leader win new ventures, deals, clients and contracts (Alton, 2019).

In this sense, Kalanick must also be looked at from a positive perspective because of his confidence and calculated risk-taking capacity. While many media sources cite Kalanick made mistakes with Uber, Olson (2016) says that Kalanick first developed Scour, the file sharing program, with multiple classmates at UCLA. He dropped out of university to do this. Eventually, Kalanick became a victim to bankruptcy as allegations emerged that there were copyright infringements with Scour. Kalanick later founded Red Swoosh, a company created on similar principles, and in 2007—after much deliberation—co-founded Uber (Olson, 2016).

The author (2016) notes Kalanick was able to establish Uber, a successful company, despite having concerns with funding (Olson, 2016). Today, Uber is one of the most popular apps of its

type in ride sharing. While Kalanick failed at Swoosh and, to some extent, at Scour, he was still able to develop a successful company that now boasts a prolific repertoire and is used in many parts of the world.

6.2.5 Leading Employees & Vision

Some sources suggest that Kalanick adopted the autocratic leadership style and became a socially dominant leader who was ready to win at any cost. They say that he proposed an immature business model for innovation which was not based on collaboration or a democratic culture. Rather, he led people as a one-man army and failed to acknowledge the fact that the modern business environment is highly open and leaders are accountable for their actions. He got so goal-driven that he unnecessarily put his business model at risk and turned irrational and unethical at times (Business Line, 2017).

Kalanick has been accused of only looking at profit maximization as important. It can be argued that Kalanick mostly played the role of the Schumpeterian manager who is more focused at making money and maximizing profits by looking at the economic value of the venture. In this pursuit, he used the rational and traditional forms of legitimate authority because his dominance and coercive power often resulted in poor decisions for the business. As a leader, he emphasized on transactional leader-member exchanges because of his capitalist motives. The entrepreneurial leader is one who does not miss any opportunity to learn from mistakes and improve upon his performance. Kalanick, on the other hand, demonstrates the absence of a learning mode and failure to accept criticism and feedback (Nair, 2017).

The entrepreneur showed some failures in terms of recognizing business model. Kalanick had a confrontation with another Uber driver. As an entrepreneur who changed the taxi business model by aggregating drivers and customers, he should realize that the drivers are no longer

employees but business model partners. He demonstrates the lack of humility and self-development because frequent anger outbursts, the inability to hear negative comments and criticism, getting aggressive on management issues, etc. depict the dearth of self-introspection which makes the leader find his behavioral patterns and learn and grow into a better leader from it (Zetlin, 2017). At least, this is what Zetlin (2017) suggests.

On the other hand, Kosoff (2015) has a more positive appraisal of the relatively young entrepreneur. Kalanick started with a company that was fairly small, but overnight, it blew up. He is cited as saying the following about his vision for Uber:

> Imagine a city that reclaims the space once wasted on garages and lots and meters to build new parks and schools and housing. Imagine a city where you can choose to live or start a business anywhere you want, because transportation to and from will always be one tap away (Kosoff, 2015).

This is quite impressive as a vision, and Kalanick is correct. From personal experience, Uber is always available for affordable transportation. In fact, Kalanick's vision extends beyond this: he wants to eventually get Uber's price down low enough so that it becomes a viable alternative to driving or bus. Uber Pool is an innovative tool that allows for multiple passengers to travel in a car at once, lowering the total price for each passenger (Kosoff, 2015).

6.2.6 Problem Solving & Strategic Initiatives

From some sources' perspective, Kalanick did not make good strategic decisions. As a change agent too, Kalanick disappoints his followers because he was not open to divergent views from people that could have polished his perspectives and made him flexible in his leadership attitude. Kalanick was actually found to demonstrate the toxic leadership style with the use of

coercion, lack of democracy, excessive centralization and lack of empathy (London Business School, 2017). He even got involved in unethical business practices when he started circumventing the labor practices and the government regulations in certain nations to secure investor fund and make his business model and practices look legitimate (London Business School, 2017).

From a problem-solving and strategic initiatives perspective, Kalanick did not make the best decisions in this regard. Circumventing meaningful labor practices that were put in place to regulate businesses so that they could cooperate fairly in a free market society portrayed Kalanick as undemocratic and could have led to serious reputation tarnishing. He wanted to secure investor funding but in an illegitimate way.

On the other hand, this is just one side of the story, and does not consider the way Kalanick understood that Uber would be an innovative and disruptive technology that would solve the problem of high Taxi prices. In Canadian cities like Ottawa and Toronto, Uber plays a revolutionary role, cutting transportation prices by up to 40% or 50%. A survey has shown that this is quite common in metropolitan areas. "Uber is strategically selecting large markets in which they aggressively pursue market share by offering rock-bottom prices" (Tencer, 2015).   One of Uber's problems is a discrepancy in cash flow, where drivers are complaining of low wages and Uber must then hike up fares, reducing customers. According to Chauhan (2019), drivers have even been going on strikes around the world because of this. "Assuming the company succumbs to driver pressure and further increases wages, it will have to pass the costs on to the consumer in the future, as it can't afford to burn through money forever" (Chauhan, 2019). This means that Uber is effectively left with the issue of having to pass on costs to customers, while maintaining good jobs for drivers.

Chauhan (2019) notes, however, that one of the strategic solutions to this is a self-driving car—the Volvo XC90—which the company released not long ago and which could resolve the driver problem. These vehicles would have autonomous driving systems and steering wheels. The goal is to have the company utilize technology for cheaper and safer passenger traveling. Uber can then effectively keep fares at a consistent level without hiring drivers (Chauhan, 2019). While the author suggests that Uber's loss of profits because of bonuses given to customers, as well as rising wages for drivers, mean that the push for autonomous vehicles might be the only way to save the company (Chauhan, 2019).

There are other ways Uber has been strategic in solving the apparent problem of getting into a car with a stranger, which might be intimidating or even frightening for some. According to Horwitz (2015), Uber provides the customer with a thumbnail of the driver, the make and color of the car, as well as license plate. Uber also allows its customers to track the car while en route, and before reaching the customer. This works to facilitate trust. Uber allows for the customer to directly make calls to the driver, which is good for lost objects. In addition to this, the app allows for customers to rate their drivers. Horwitz (2015) asserts that lack of government regulation might actually make drivers *more* interested in pleasing customers in order to retain business with the company (Horwitz, 2015).

6.2.7 Concluding Remarks

Kalanick has made some errors in leadership and decision-making, but he has also proven that Uber is a resourceful and unique company that is filling a distinct need in the transportation market. Kalanick displays elements of entrepreneurial leadership vision, despite having been blamed for looking only at the profit bottom line. The entrepreneur has made crucial steps in terms of risk-taking and made it big with Uber, even though his previous companies were largely

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unsuccessful. The recent scandals for Uber paint a dark spot on the entrepreneur's company. These include sexual assault allegations and complaints of a toxic work culture.

Kalanick utilizes problem-solving capacities to deal with common issues. One of these is making Uber transparent through vehicle tracking and GPS, and another is engaging the prospect of using autonomous vehicles to offset driver costs.

6.3 Comparing Elon Musk and Travis Kalanick

Research Question 2 B. How are they similar and how might they differ?

In a sense, there are qualities that Kalanick and Musk share in terms of problem solving and strategic initiatives. Both of these entrepreneurs faced challenges they had to overcome. For Musk, this was the failure of one of his rockets. For Kalanick, he overcame the issue of Uber not being transparent enough for customers by making provisions and modifications to the app to allow for car tracking. Kalanick has also engaged with the idea of implementing driverless cares in the future to save on wage costs.

Kalanick and Musk both seem to be adept at making long-term decisions and adapting to consumer needs. Kalanick modified the Uber app to make it more user-friendly and to include a safety feature. He also had a good strategy for placing Uber in metropolitan areas at rock bottom prices to garner market share. Musk made long-term decisions when he decided to build on what he achieved during the original Falcon rocket. He continued to produce Falcon rockets, and even began an internet company, Starlink. Musk became a celebrity entrepreneur almost overnight, and understood the importance of leveraging existing popularity for additional business endeavors.

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As well, both entrepreneurs had solid visions. Musk's vision for colonizing Mars is more in-depth and idealistic, and Musk is concerned about Earth's sustainability and energy crises. On the other hand, Kalanick came up with a simple solution to the problem of the congested city, proposing an alternative to taxi cabs and even cars. The two visions may not be parallel in terms of scope, but they are certainly both noble and worthy. While Musk's vision is idealistic, Kallanick's is practical.

The two entrepreneurs differed in their approaches to leading employees. Most literature surveyed showed that Kalanick had failed, to some extent, in leading his employees because he undertook actions that were seemingly selfish. He was accused of setting a work culture that was undemocratic. On the other hand, Musk is often cited as a revolutionary transformational leader, able to harness and leverage the power of his dedicated employees.

They also differed in terms of resilience and dealing with hardship. It was shown that Kalanick presented some failures when it came to dealing with hardship. His company went through a sexual assault allegation, which went largely unsolved, and he was involved in what was perceived as swindling. Kalanick was also perceived as someone who was not serious about ethical considerations, choosing profit as the bottom line. While Musk has had some failures with his Falcon 9 rockets, he ultimately came through with good morals and a solid understanding of leadership parameters.

Research Question 3: What were some of the ways in which Kalanick was unsuccessful in his ventures, and why was this?

Issue

The entrepreneurial leadership analysis of Elon Musk and Travis Kalanick demonstrate opposing results. While Musk was emotionally attached to his ventures and drove innovation by

being social, informal and democratic; Kalanick was aggressively bent at controlling everything in his venture by the use of his power and authority and sought success and growth at any price possible. Bouchikhi (2017) associates the Icarus Paradox with the downfall and the toxic leadership of Kalanick where his strengths became the reasons for his own and his business model's downfall.

Musk supported and cared for his followers and delegated responsibilities for the development of a learning culture. As a leader, he made everyone identify their strengths and weaknesses which were instrumental in driving ongoing innovation. Thus, Musk appeared to be a relationship-oriented leader while Kalanick was limited to a task-oriented leader who was busy realizing his capitalist motives (Figure 2). As a result of his leadership style, Kalanick's business model was limited to subsistence and income types which earned good revenues and met the financial obligations (Table 1). Musk, on the other hand, was able to perpetuate his business models to the growth and speculation levels (Table 1) because he focused on stakeholder wealth maximization and tried creating value for all through increased focus on ethics, sustainability and reinvestment through better research and development than merely increasing profits.

In both the case studies, the business models operate in high uncertainty and high complexity environments (Table 2) as they feature radical change in the conventional businesses in their respective industries. However, the response of the entrepreneurs differs in each of the cases. For Elon Musk, it is the salesman approach which is characterized by intuition, strategy and focus on established technology as the basis to innovate. He constantly applied self-introspection and awareness to make sure that he had the right set of skills at the right time to lead the people in the right direction and modified the 'investment' model through excellence and improvement in the intangible proprietary interactions for novelty. On the contrary, Kalanick adopted the much

conventional and formalized CEO approach marked by poor planning, not acknowledging the external complications and uncertainties, undermining the role of stakeholder participation and engagement, and succumbing to external pressures when he should actually be consulting it with others for a revival strategy. He merely worked on the replication of the foundation model with no uniqueness in the proprietary or the rule-based levels to ensure the penetration of innovation in his work culture, as done by Elon Musk.

Considering the impact of entrepreneurial traits and leadership of both on their respective innovations, Elon Musk started with the creation of Zip2 and PayPal which witnessed huge growth due to their unique value propositions in their respective segments. However, Musk had to sell off PayPal but he did not lose his entrepreneurial spirit and had dreams that spanned beyond the boundaries of this planet. Result: SpaceX was born out of his primary motives of making Earth more sustainable. He also wanted the mankind to be more technologically-independent and he also wanted to transform the transportation sector which was a major cause of global warming. Thus, he thought of radical innovation by devising the Hyper loop, instead of incremental innovations by other players in the form of electric and hybrid card.

In his SpaceX business model, he deciphered that pocket-friendly rockets cannot be made with existing components and so, he started reading books and gained knowledge to come up with the idea of making cost-effective rockets for space travel on his own. Despite lots of challenges and criticism, Musk proceeded knowing that his entire investment could be lost in such a venture. Against all odds, in 2015, SpaceX achieved the feat of producing reusable rockets which is a tectonic shift and a fundamental change in the traditional aerospace industry model. His first launch was a failure but he did not lose hope and kept on experimenting which eventually led to his phenomenal success. He still has bigger plans to send both manned and unmanned missions to

the red planet and someday travel to the space and die on Mars. With these unwavering and passionate ambitions, Elon Musk is driving innovation in his most adventurous and game-changing projects under SpaceX and Hyperloop. These innovations prove the entrepreneurial leadership capabilities and the inner spirit of Musk are always striving for excellence and he does not miss an opportunity to collaborate with the stakeholders to make things happen.

On the other hand, Kalanick's innovation was limited to the ideation and initial implementation phase when he was able to secure adequate funding and resources to bring Uber into existence. Though a radical innovation in the conventional ride-sharing business, Kalanick could not continue the pace of innovation demanded to maintain Uber's market leadership. After the company faced sexual harassment allegations, employee and labor relations and other issues, Kalanick lost sight of his entrepreneurial spirit and was messed up resolving these concerns.

Research Question 4: Are empathy and empowerment two of the qualities Kalanick lacked that Musk had that made Musk a better overall leader?

There were specific qualities Musk exhibited that made him exceptional and a transformational leader, with much of this being related to treatment of employees and long-term thinking. In the section on Musk, the paper talks about the entrepreneur's characteristics related to leading employees and long-term vision, which has to do with sustainability and environmental concerns—building a better future for all of us. In addition to this, Musk is cited as being a good employer who cares about his employees and looks to reduce 'noise' in the company. He is driven and committed to achieving Tesla's bottom line goals, which means that employees play a center role in driving affairs.

Musk met some of the standards, as defined by Yukl (2002) and the following quote: leadership is "the process of influencing others to understand and agree about what needs to be

done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish a shared objective" (Yukl, 2002, p. 3). It was here that Musk fulfilled his duty, as a leader who was able to garner widespread support for his cause (i.e. Tesla, SpaceX), leverage the contributions of various stakeholders, and ensure that employees also shared his vision with the companies. As literature has shown, Musk has been especially employee-conscious with Tesla, as he cites giving employees the autonomy and freedom to meet deadlines on their own terms, rather than imposing arbitrary deadlines.

This links and ultimately connects with Choi's discussion of empowerment, which is at the core of good entrepreneurial leadership. According to Choi, "empowerment is defined as a process which leads to enhanced perceptions of self-efficacy" (Choi, 2006, p. 28). Here, conditions serving as barriers to effective work are identified and removed for employees. Organizational principles and strategies can link to this removal of barriers, but overall, informal processes are also responsible for doing so. Groups that are considered less powerful within organizations are given power to improve their circumstances (Choi, 2006).

There is also the notion of empathy that remains relevant. According to Choi (2006), "empathy indicates the ability to understand another person's motives, values and emotions, and involves entering the other person's perspective" (Choi, 2006, p. 27). Emotional intelligence has been linked to higher empathy. Leaders with higher empathy scales are perceived as more effective than this with lower empathy.

Musk has presented an obvious example of this when handling his employees and allowing them to work to meet deadlines without arbitrary impositions. Loria & Kanter (2019) notes Musk is not one for formal meetings, hierarchal structures, systems that impede "immediate communication" (Loria & Kanter, 2019) and non-common sense ideas. He remains a good

communicator with employees and utilizes principles of effective communication by breaking down complex ideas into simple words. Musk also does not recognize the traditional chain of command, and believes communication should happen in organic, rather than top-down ways (Loria & Kanter, 2019).

We can also connect this to the display of empathy, which Choi (2006) has said is crucial for good leadership. Musk displays empathy in his dealings with employees because he understands that they are human beings, each with unique dimensions, goals and values. Instead of imposing arbitrary meetings and deadlines on employees, he tries to empower and allow them to work autonomously. He is empathetic to the idea that employees may not appreciate deeply hierarchal power structures that limit their freedom and capacity for meaningful feedback.

If Kalanick failed, it is because he had not properly used some of the characteristics of entrepreneurial leadership. For instance, he did not display elements of transformational leadership when he failed to receive feedback from employees, causing issues with wages. Arguably, Kalanick was also unable to secure a positive working environment, which led to poor setting and the sexual assault allegations. Kalanick did show confidence and calculated risk taking. However, he also displayed the need for profit when he decided to engage in unlawful actions in order to gain Uber an advantage in the market. Musk was substantially more self-aware as an entrepreneurial leader, and could make his vision come across as solid and important.

We can see how in some sense, Kalanick failed to display the traits of empathy and empowerment, especially with respect to employees. Meyer talks about a recent survey with Uber that contacted drivers for the company. Only 66% cited they felt secure about retaining their jobs, while 63% noted being treated fairly. 58% of employees said they were excited to go to work for Uber every day, and 40% answered 'yes' to the following telling question: "I believe my total

compensation (base salary, bonuses, benefits, equity) is fair, relative to similar roles at other companies" (Meyer, 2019). This indicates that Uber drivers did not feel respected at their workplace, and perhaps valued.

Of course, we can make the argument that Tesla employees have a vast educational repertoire that Uber drivers are lacking, and are tasked with more 'difficult' work, intellectually, but is this sufficient or does this relate in any way to the core principles of empathy and empowerment? There are obvious ways in which Tesla engineers have acquired elaborate and expensive degrees to work at the company, while it is relatively easy to become an Uber driver. At the same time, Uber's business model relies upon the principle of taking profit from its drivers.

Gordon & Mehrotra (2019) recently conducted a study that showed Uber takes more of the profits from drivers than appears. One driver, Dave, noted in some cases, he was making about 21 cents per minute of the running meter because of the customer's desire to stop at Taco Bell. Dave, the anonymous employee, did not want to ruin his reputation with the company by canceling the trip with the client. In the end, while the rider paid $65 for the whole trip, Dave only made $15 (for half an hour). Uber took the rest, which has been a steady complaint (Gordon & Mehrotra, 2019).

This is where the principle of empowerment of employees and empathy is lacking. Employee empowerment would mean putting policies and strategies in place that empower employees by allowing them to work for a living wage. This could mean, for instance, Kalanick holding a general meeting where Uber drivers' concerns were met at local town hall gatherings. It could also mean distributing public surveys to employees to gauge their working experience. Overall, Kalanick failed to show empathy or display the capacity to empower his employees.

Chapter 7: Conclusion

Entrepreneurial leadership is a recent term in leadership literature which is not adequately researched. The gaps in the literature identified above led to the identification of the problem statement for this study- the impact of entrepreneurial leadership on innovation and business model disruption in start-ups. It was shown, through a careful analysis of Travis Kalanick and Elon Musk, how entrepreneurial leadership skills lead to business innovation and disruption. Both of the entrepreneurs created technologies that effectively disrupted their respective markets.

The study discussed the types of environment for business model innovation, entrepreneur's responses, the foundation, proprietary and rule-based levels for innovation in business model and the specific skills and capabilities that emerge from the extant leadership literature and guide entrepreneurial innovation activity. Elon Musk evolved as a successful and effective entrepreneurial leader due to his balanced focus on ethics, collaboration, sustainability and overall well-being. On the other hand, some literature still suggests that Kalanick emerged out to be a leader in the capacity of a manager/senior executive who could not innovate due to his economic motives and pure monetary goals for business model development. However, there were also positive elements of Kalanick's leadership style, which included calculated risk taking and confidence.

The study has answered the research questions by comparing Kalanick and Musk, noting similarities and differences, in a fluid and dynamic way that also honors objective standards for entrepreneurial leadership, as defined by relevant literature. Both Musk's Tesla and SpaceX companies are ones that have challenged the status quo, beaming down new and idealistic visions for our future reality. Uber has challenged the taxi business, providing a cheaper alternative that

customers have willingly adopted.

The research also effectively answered the third question by essentially suggesting that being a good entrepreneurial leader means honoring employees' feedback and having a vision that extends beyond the immediate profit-driven marketplace. To some extent and in many mainstream circles—particularly in popular and independent media—Kalanick is *not* viewed as a successful entrepreneur, primarily because of the scandals that have rocked Uber in recent years. This shows us that Kalanick failed to be adaptive or resilient. This additional research question and answer provides some insight into entrepreneurial leadership more generally, and what should happen for it to be more effective.

Generally speaking, the qualities of empathy and capacity to empower employees are viewed as conducive to positive entrepreneurial leadership. Kalanick was seen to be lacking these qualities, while Musk exemplified them, showing excellence and virtue. Musk's companies, therefore (particularly, Tesla) are open to the ideas of non-hierarchal leadership, creative modes of communication and respect for the dignity and autonomy of employees.

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