

## **The Role of Entrepreneurial Leadership Styles in Shaping Organizational Culture and Business Outcomes in Indian SMEs and Startups" – A Literature review**

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### **Abstract**

Business outcomes are often linked to Entrepreneurial Leadership in an organizational context. This Literature review investigates the role of Entrepreneurial Leadership (EL) styles in shaping organizational cultures (OC) for Small and Medium Enterprises (SMEs) and/or Start-ups in Indian context. Employing systematic literature review methodology, screening criteria were applied to select articles from reputable databases, such as Elsevier, Emerald, Springer, Scopus and Google Scholar. A total of 30 articles meeting the defined criteria were reviewed and after scrutiny 22 were selected. Again, the papers in Indian context were limited in count however the findings and learnings from many others can be applied in the Indian SME context.

The findings emphasize that leadership approaches such as transformational, entrepreneurial, and participative styles foster a culture characterized by innovation, agility, and openness, aligning with India's socio-cultural norms. Cultural traits like collectivism, relational orientation, respect for hierarchy, and community values are embedded in Indian environment. Studies reveal that Entrepreneurial Leaders in India prioritize mutual respect, ethical behaviour, and value-based interactions. These culturally nuanced leadership practices serve as pivotal in establishing shared values, guiding growth and risk strategies, and ensuring organizational resilience.

The findings suggest that these culturally nuanced EL practices are instrumental in establishing shared values, maintaining organizational coherence during growth phases, and promoting sustainability. Recognizing the unique socio-cultural environment of India, future research should further explore how specific leadership behaviours' influence culture creation, employee engagement, and organizational resilience in Indian startups and SMEs, thereby contributing to the development of contextually adapted leadership models for emerging Indian enterprises.

This systematic review examines how the Founder's leadership style influences organizational culture dimensions—growth orientation, risk-taking, grit, and innovation orientation—thereby affecting business outcomes in small and medium enterprises (SMEs) in India. The review identifies gaps in research specific to the Indian SME context and how it differs with Western approaches and suggests avenues for future exploration,

### **Introduction**

Entrepreneurial leadership (EL) is widely recognized as a key determinant of organizational success, Stenvenson(1990), Yukl, G. (2013). particularly within small and medium enterprises (SMEs) and startups that have become vital engines of innovation and economic growth worldwide. In India, SMEs form the backbone of the economy, providing employment, fostering innovation, and contributing significantly to socio- economic development (Globe study). Understanding how leadership styles influence organizational culture (Schien 1983, 2017) in this context is crucial, given the intricate socio-cultural fabric that characterizes Indian business environments.



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Many researchers (Gupta, V., MacMillan, I. C., & Surie, G. (2004), Wang, H., He, J., & Mahoney, J. T. (2022), Awotunde, M. O., & Aregbeshola, R. A. (2024), Mathur, N. (2024), Malik, A., Khan, N., Javed, S., & Faridi, M. R. (2021) have articulated that Organizational culture encompasses aspects such as growth orientation, risk-taking, grit, and innovation orientation. These elements, in turn, influence business performance metrics, including profitability, sustainability, and employee engagement. The study of OCHas garnered significant attention in academic literature due to its profound implications for organizational success and performance (Carvalho et al., 2023). The role of organizational culture in shaping business outcomes has been widely studied, particularly in small and medium enterprises (SMEs), where the founder's leadership style plays a pivotal role in shaping the work environment. Jagdale, H. B. (2024).

### **Focus of the Study**

This paper covers studies from 2004 to 2025 in EL and OC and its impact of business outcome for SMEs. To explore how different entrepreneurial leadership styles impact the creation and sustenance of organizational culture in Indian SMEs and startups. By synthesizing existing theoretical and empirical research, it examines how leadership practices align with India's unique cultural norms—such as collectivism, relational orientation, and respect for hierarchy—and how these practices influence strategic outcomes like growth, risk-taking, innovation, and resilience.

### **Objectives**

**The primary objectives of this review include-** a) To analyse the prevalent leadership styles among Indian SME founders. b) To understand the influence of Indian cultural values on leadership behaviours and organizational culture. c) To identify gaps within the existing literature and propose future research directions tailored to the Indian context.

**Keywords - Search in Scopus, Google Scholar**

***("entrepreneurial leadership" OR "founder leadership" OR "startup leadership") AND ("organizational culture" OR "culture creation" OR "organizational values")AND ("startups" OR "SMEs") AND ("India" OR "Indian")***

### **Research Questions**

What leadership styles do entrepreneurs in India typically adopt?

How do Leadership styles influence cultural elements — values, work practices like growth strategies, risk taking, adaptability or alternatively

Does the culture impact the Entrepreneurial Leadership (EL) skills and therefore the work practices like growth strategies, risk taking, adaptability etc.

How do Leadership styles impact business outcome and growth

What theories/frameworks explain and apply to Indian SME context?

What gaps exist in the literature about *Indian* startups or SMEs?

### **Literature Review**

#### **Definitions - What is entrepreneurial leadership?**

Entrepreneurial leadership as a dynamic approach that combines opportunity recognition with resourcefulness, resilience, and adaptability (**Howard H. Stevenson**, 1990, often credited as the "godfather of entrepreneurship" at Harvard Business School)

However, **Gartner (1988)** argues that entrepreneurship is not solely about who the entrepreneur is but also about the process of venture creation. He highlighted that entrepreneurship involves the dynamic interaction between the individual, the opportunity, and the environment. Entrepreneurial leadership refers to the capability to influence and inspire individuals and teams toward achieving a shared vision, often under conditions of risk and uncertainty.

Entrepreneurial leadership is quite a researched topic and definitions therefore further refined for a Founder CEOs and Appointed CEOs (Wang, H., He, J., & Mahoney, J. T. (2022). A **Founder CEO** is an individual who establishes a company and also holds the position of Chief Executive Officer. This dual role combines the entrepreneurial vision of the founder with the executive responsibilities of the CEO. Wang et al. (2022) defines a Founder CEO as "an individual who founds a company and also holds the CEO position of the company." An **Appointed CEO** refers to an individual who assumes the role of Chief Executive Officer without being a founder of the company. Fehrenbach (2009) analysed the investment decisions and stock market performance of companies led by founder CEOs compared to those with appointed CEOs. All researches make it clear that founder CEOs and appointed CEOs face different leadership challenges and opportunities, necessitating a nuanced approach to entrepreneurial leadership.

***Comparison Table: Founder CEOs vs. Appointed CEOs across various elements of Leadership is shared below compiled from various studies is shared below -***

Element	Founder CEOs	Appointed CEOs	
Vision	Strong, personal mission-driven vision. Personal and deeply integrated	Professional, goal-oriented vision, externally influenced	
Innovation	Higher risk tolerance, fosters innovation. Transformative and disruptive	Focus on operational efficiency Incremental and efficiency-driven	
Financial Performance	Strong in early-stage growth	Stable and consistent in mature firms	
Employee Engagement	High engagement due to personal connection	Professional inclusivity and diversity	
Risk-Taking	Higher, entrepreneurial	Lower, conservative	
Adaptability	Resistance to change	Better at adapting to external pressures	
Efficiency	Secondary focus	Primary focus	
Time Horizon		Short-term	
Cultural Influence	Personal and cohesive culture	Standardized and professionalized culture	
Challenges	Struggles with scalability and delegation	May lack emotional connection to mission	



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**Overview of studies.** The overview is based on **Western and Indian studies**, although papers on Indian studies are limited but are insightful and do share a perspective which has helped share the Indian Leadership scenario.

**Western Leadership Models** - Definition of Leadership Styles - Kurt Lewin's 3 Leadership Styles (1939) . **Authoritarian (Autocratic) Leadership** -The leader makes decisions alone, dictates tasks and procedures, and expects obedience. Often produces quick results but can lower morale and creativity. In Lewin's experiment this group produced more work, but only when the leader was present. Lewin's *authoritarian* style influenced later ideas like **transactional leadership** (Bass, 1985) and **directive leadership**. Transactional leadership clarifies that it's not just command-and-control — it involves clear exchanges, rewards, and punishments.

**Democratic groups (Participative Leadership)**- The leader includes one or more employees in the decision-making process but maintains the final decision authority. Usually results in higher morale, creativity, and engagement, though decisions may take longer. In Lewin's experiment this group produced slightly less but had better quality and cohesion.

Lewin's *democratic* style inspired **participative leadership**, which evolved into **shared leadership** and **distributed leadership** models. Yukl (2013) covers participative leadership in depth.

**Laissez-Faire Leadership**- The leader gives minimal direction and allows members to make decisions. Can work well with highly skilled, motivated teams — but can lead to confusion and lack of direction if team members need more guidance. Lewin's experiment found Groups were least productive and less organized. **The idea of empowering leadership** clarifies how leaders can deliberately give autonomy while providing structure and support. Amundsen & Martinsen (2014) distinguish delegation from laissez-faire leadership.

**Definition of Culture Creation** - Culture is a set of shared assumptions that develop over time, guiding behaviour, decision-making, and strategic priorities. (The Role of the Founder in Creating Organizational Culture, Article, 1995, had 4,061 Reads, 618 Citations. DOI: 10.1111/j.1741-6248.1995.00221.x

**Edgar Schein's Organizational Culture Framework** - Schein, a former MIT professor, conceptualized organizational culture as a deep, multilayered structure that profoundly shapes the behaviour and effectiveness of organizations. Key Work is on Organizational Culture and Leadership (1985, updated editions).

**Three Levels of Culture** a) **Artifacts**: Visible and tangible elements of culture (e.g., office layout, rituals). b) **Espoused Values**: Explicitly stated values and norms (e.g., mission statements). c) **Basic Assumptions**: Deeply ingrained beliefs that are often taken for granted.

**Implications** - **Leaders must act as cultural architects**, shaping and reinforcing values that support innovation and strategic goals. **Cultural diagnostics** are essential for identifying barriers to decision-making and innovation.

## **Culture and leadership intersect**

**Leadership shapes culture**: Transformational leaders create environments that value innovation and align decisions with strategic goals.

**Culture influences behaviour**: Deeply rooted cultural norms and assumptions drive day-to-day decision-making.

**Outcomes are culturally contingent**: Business success hinges on culture's ability to adapt to environmental changes and leverage its human capital effectively.

While Stevensons study helps understand the construct of Entrepreneurial Leadership (EL of Founder Leaders) includes Leadership Dimensions like high risk tolerance, opportunity driven approach, charismatic and transformational, visionary and passionate and maintain a strong sense of control , Yukl helps understand Dimensions of Organizational Culture in creating a highly dynamic environment where influence is derived from admiration and loyalty with high emotional attachment to the organization impacting commitment and willing to establish a sustaining organizational culture

**Schein** argued that **leaders create culture through their actions**, particularly during critical moments such as crises or strategic pivots. Their decisions and priorities serve as cues for what is valued within the organization. **For instance, when leaders reward risk-taking or learning from failure, it signals that innovation is culturally acceptable and encouraged.**

**Leadership Behaviour and Culture:** Leaders act as primary agents of cultural formation by setting expectations, creating rituals, and making decisions that reflect and reinforce the organization's values.

**Definition of SME or Start-up Stage** - SMEs are Small and Medium Enterprises in India, where businesses are smaller than large corporations but larger than micro- enterprises, with defined limits on investment and potentially turnover. A startup is defined as a private company, incorporated under the Companies Act, 2013, that is working towards innovation, development, or improvement of products, processes, or services, not more than 10 years and has an annual turnover not exceeding ₹100 crore in any financial year. (DSIR.gov.in).

### Leadership Approaches (Based on Yukl's Framework)

Yukl, G. (2013). *Leadership in Organizations* (8th ed.). Pearson, Yukl, G., & Mahsud, R. (2010). "Why flexible and adaptive leadership is essential." *Consulting Psychology Journal*, **Gary Yukl's work focuses broadly on leadership behaviors, effectiveness, and adaptability,**

Meta-Category	Leadership Behaviour	Description	Examples
Task-Oriented	Planning	Establishing goals, strategies, and priorities	Setting performance targets, creating timelines
Task-Oriented	Clarifying Roles	Explaining responsibilities, expectations, and methods	Defining team roles, task instructions
Task-Oriented	Monitoring Operations	Tracking progress and performance	Reviewing status reports, correcting deviations
Task-Oriented	Problem Solving	Addressing obstacles to goal achievement	Diagnosing workflow issues, initiating corrective actions
Relations-Oriented	Supporting	Showing concern for needs and well-being	Providing encouragement, recognizing achievements
Relations-Oriented	Developing	Helping team members grow and learn	Coaching, training, delegating stretch tasks

Relations-Oriented	Recognizing	Praising effective performance and contributions	Public acknowledgment, reward systems
Relations-Oriented	Empowering	Giving people autonomy and influence	Participative decision-making, promoting ownership
Change-Oriented	Advocating Change	Promoting innovation and challenging the status quo	Introducing new strategies, justifying transformation efforts
Change-Oriented	Envisioning Change	Developing and communicating a clear vision	Strategic storytelling, aligning teams to long-term vision
Change-Oriented	Encouraging Innovation	Supporting experimentation and risk-taking	Brainstorming sessions, innovation labs
Change-Oriented	Facilitating Collective Learning	Promoting shared understanding and improvement	After-action reviews, cross-functional learning initiatives

**GLOBE Study** which covered 62 countries including India, focus on "Culture, Leadership, and Organizations," marks a shift from individual leadership theory to cultural leadership theory. GLOBE tested the assumption that basic leadership functions have universal importance but are enacted differently due to cultural variations.

### Key Aspects of the GLOBE Study

**Cross-Cultural Focus:** The study investigates how cultural values and norms impact leadership expectations and behaviours in different countries.

**Cultural Dimensions:** It uses **nine dimensions to characterize national cultures**, including performance orientation, uncertainty avoidance, and gender egalitarianism.

**Leadership Profiles:** GLOBE identifies different leadership profiles, such as charismatic, team-oriented, and humane-oriented leadership, to understand their cultural endorsements.

**Global Scope:** The project involved **over 170 researchers in 62 societies**, making it one of the most comprehensive cross-cultural studies in social sciences.

Harry Triandis, one of the giants in cross-cultural research, calls the GLOBE research "the Manhattan Project of the study of the relationship of culture to conceptions of leadership" (2004). GLOBE is the most comprehensive study to date that empirically researched the relationship between culture and leader behavior in so many societies, with so many different quantitative and qualitative measures and methods, and in so many different organizations. It did so by engaging more than 170 collaborators from around the world who brought to the project an in-depth understanding of their own culture and its notion and practice of leadership



Traits expressed and enacted may still noticeably differ from society to society. For example, for a leader to be described as decisive in the U.S., he or she is expected to make quick and approximate decisions. In contrast, in France or Germany, being decisive tends to mean a more deliberate and precise approach to decision-making. The same caution applies to the universally undesirable leader traits.

“To date more than 90% of the organizational behavior literature reflects U.S.-based research and theory. Hopefully GLOBE will be able to liberate organizational behavior from the U.S. hegemony” (2004). - Michael H. Hoppe

**Under Globe Study - 21 leadership scales were statistically and conceptually reduced to six scales, resulting in six leader styles:**

**The performance-oriented style** (called "charismatic/value-based" by GLOBE) stresses high standards, decisiveness, and innovation; seeks to inspire people around a vision; creates a passion among them to perform; and does so by firmly holding on to core values.

**The team-oriented style** in-stills pride, loyalty, and collaboration among organizational members; and highly values team cohesiveness and a common purpose or goals.

The participative style encourages input from others in decision-making and implementation; and emphasizes delegation and equality.

**The humane style** stresses compassion and generosity; and it is patient, supportive, and concerned with the well-being of others.

**The autonomous style** is characterized by an independent, individualistic, and self-centric approach to leadership.

**The self-protective** (and group-protective) style emphasizes procedural, status-conscious, and 'face-saving' behaviours; and focuses on the safety and security of the individual and the group.

Charismatic/value-based, team-oriented, and participative leadership generally contribute to outstanding leadership. Autonomous and self-protective leadership are generally negatively reported globally.

**Culture Clusters :** The GLOBE results support the thesis that the societal system and cultural worldview have the most significant effects on organizational culture. The Middle East Cluster's leadership dimensions have the lowest scores relative to other clusters likely due to the influence of Islamic religion.

**Cultural Dimensions and Leadership Behaviour** - Different cultures prioritize leadership attributes differently. For instance, cultures high in assertiveness and performance orientation (e.g., Anglo or Germanic Europe) may favour participative and charismatic leadership styles, emphasizing individual initiative and competition.

Conversely, cultures with higher power distance and collectivist tendencies (e.g., parts of the Middle East or Asia) might prefer more authoritarian or paternalistic leadership approaches, emphasizing hierarchy, loyalty, and group harmony.

**Industry Stability & Culture Norms** - Industries like **food processing tend to be more stable and may require leadership styles that emphasize consistency and adherence to established practices**, which can vary based on cultural emphasis on tradition or change. In contrast, industries like **telecommunications or finance, which are often subject to rapid change, reflect cultural dimensions such as openness to innovation** or uncertainty avoidance, influencing leaders to adopt more adaptable or risk-averse strategies.



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**In collectivist cultures, leaders** in family-owned conglomerates may rely more on paternalistic practices regardless of industry, whereas leaders in more individualistic societies may emphasize autonomy and participative management even within traditional sectors.

The effectiveness of certain leadership behaviours, like autonomous leadership, may be viewed negatively in cultures that value collectivism or paternalism, impacting how leaders are expected to behave in different industries. Industries operating in such cultures might prioritize leaders who align with societal values to facilitate organizational effectiveness.

**Key cultural dimensions that influence organizational behaviour, as identified by the GLOBE study and related research.** These dimensions affect leadership practices, decision-making, motivation, and interpersonal interactions.

**Performance Orientation** - The degree to which a society encourages and rewards performance improvement and excellence. Higher performance orientation fosters competitiveness and achievement-driven behaviours in organizations.

**Power Distance** - The extent to which members of a society accept and expect power to be distributed unequally. Cultures with high power distance tend to accept hierarchical structures and authoritative leadership styles, influencing organizational authority and communication patterns.

**Uncertainty Avoidance:** The degree to which individuals strive to avoid uncertainty through strict norms, rules, and routines. High uncertainty avoidance can lead to risk-averse organizational behaviors and reliance on formal processes.

**Future Orientation:** The extent to which societies engage in planning, investing in the future, and delaying gratification. It influences organizational strategies, innovation, and long-term planning.

**Gender Egalitarianism:** The degree to which a society minimizes gender role differences and promotes gender equality. This affects organizational policies related to diversity, inclusion, and leadership opportunities.

**Assertiveness:** The level of confrontational and aggressive behaviour acceptable in social relationships. High assertiveness cultures may promote competitive organizational environments, whereas low assertiveness cultures value harmony and cooperation.

**Humane Orientation:** The degree to which compassion, kindness, and generosity are valued and rewarded within a society. Higher humane orientation can foster supportive organizational climates focused on employee well-being.

**In-group Collectivism:** The extent to which individuals express pride, loyalty, and cohesiveness toward family or organizational groups. This influences teamwork, loyalty, and social cohesion within organizations.

**Future Orientation:** Emphasizes long-term planning and delayed gratification, influencing strategic planning and innovation policies in organizations.

**These dimensions collectively influence organizational culture by shaping leadership styles, motivational drivers, communication patterns, authority relationships, and the overall climate of an organization. GLOBE research presents nuanced insights into India's cultural and leadership profile. It places India within the South Asia Cluster, which includes countries like Iran and Malaysia.**

According to the findings, an effective leader in India is characterized by exhibiting

4.6.1. Charismatic/Value-Based (C/V-B),

Team-Oriented (TO),



Humane-Oriented (HO) leadership attributes.

Paternalistic (P) behaviours but are not strongly associated with

Self-Protective (SP) leadership.

Overall, the research indicates that **Indian leaders** are expected to embody certain charismatic, team, and humane qualities, and these traits are valued across the cultural landscape. **The findings emphasize the importance of understanding India's unique cultural context, especially within the broader South Asia Cluster, when considering leadership effectiveness.** In summary, an effective leader in India is characterized by **inspiring moral vision, fostering team unity, showing compassion, and providing protective guidance**, all while maintaining humility and **focusing on collective well-being** rather than personal security

**Charismatic/Value-Based (C/V-B) Leadership:** Indian effective leaders are expected to inspire and motivate followers through their personal qualities, vision, and adherence to shared values. They are seen as charismatic figures who can influence others positively by embodying moral integrity and clarity of purpose. Such leaders often lead by example, earning respect through their principled behaviour and commitment to collective goals.

**Example** J. Nehru - India's first Prime Minister, exemplified charismatic leadership by articulating a compelling vision of a modern, independent India rooted in ideals of secularism, democracy, and progress. Or MK Gandhi or PM Modi. An effective Indian leader might speak passionately about national integrity or social justice, earning respect and loyalty by exemplifying ethical standards and uplifting collective aspirations.

**Team-Oriented (TO) Leadership:** Emphasizing collaboration and participation, Indian leaders are valued for their ability to foster strong team cohesion and loyalty. They prioritize group harmony, consensus-building, and collective effort, often acting as facilitators who support group needs and promote shared success. This reflects the collectivist orientation prevalent in Indian culture, where community and familial bonds are significant.

**Example** – Indira Gandhi, while assertive, also demonstrated team orientation by involving key advisors and respecting institutional mechanisms during her tenure. In contemporary Indian corporations, CEOs often promote teamwork by encouraging diverse opinions and collective decision-making, reflecting the value placed on group harmony. An effective leader might hold inclusive meetings, openly solicit input from team members, and prioritize group achievements over individual dominance.

**Humane-Oriented (HO) Leadership:** Leaders are also expected to demonstrate warmth, compassion, and **concern for subordinate welfare**. This trait involves empathetic behaviour, nurturing relationships, and taking care of followers' well-being, which builds trust and loyalty within the organization or community. **Example** - epitomized humane-oriented leadership through her selfless service and compassionate care for the poor and sick in India. She was revered not just for her deeds but for her moral concern and warmth. In organizational settings, managers who take time to understand employees' personal struggles, offer support during hardships, and celebrate their successes embody humane-oriented qualities. An Indian corporate leader might personally mentor staff, showing genuine care.

**. Paternalistic (P) Behaviours:** The research indicates that **Indian leaders tend to exhibit paternalistic traits**—combining authority with a protective, caring stance towards subordinates. Such leaders often see themselves as guardians or mentors who look out for their followers' best interests, providing guidance and support akin to a family patriarch. **This paternalistic approach aligns with cultural norms emphasizing hierarchical respect and filial relationships.** **Example** - A **village headman** or **family patriarch** in rural India might oversee community affairs and actively look after villagers' needs—organizing village festivals, mediating disputes, and providing resources—acting in a paternal role. A senior Indian

manager might take extra care to ensure the personal development of subordinates, offering advice and support, reminiscent of a family patriarch, and expecting loyalty and respect in return

**Self-Protective (SP) Leadership:** On the other hand, Indian leaders are generally **not strongly associated with self-protective behaviour's**, such as emphasizing their own safety, status, or security at the expense of others. This suggests that effective Indian leadership is less focused on self-interest or defensive tactics and more on moral authority and caring for the group.

**Example** - a boss who emphasizes strict control, avoids transparency, or discourages dissent to protect their own authority. Indian leaders who are not strongly associated with SP tend to avoid overly defensive tactics and focus more on moral authority and welfare

This paper offers several significant contributions to the understanding of culture and leadership. It challenges earlier, often Western-centric leadership theories by providing a rich, empirical, cross-cultural perspective that emphasizes cultural specificity in leadership effectiveness.

**Empirical, Cross-Cultural Validation:** Unlike earlier theories that often relied on Western or U.S.-centric models, the GLOBE study provides extensive empirical data across 62 societies, establishing that leadership effectiveness is deeply embedded in cultural norms and values.

**Cultural Dimensions Framework:** It expands previous cultural models (e.g., Hofstede, Schwartz) by identifying nine dimensions and clustering countries, accordingly, offering a nuanced approach to understanding cultural differences and their impact on leadership styles.

**Universal versus Culturally Contingent Traits:** The study challenges the notion of universal leadership traits by demonstrating that while some traits (like trustworthiness) are universally valued, others (like risk-taking) are culturally contingent, thereby questioning the universality of certain leadership qualities emphasized in earlier theories.

**contextual Effectiveness of Leadership:** It underscores that leadership effectiveness cannot be one-size-fits-all and must consider societal norms—a shift from earlier models that often aimed to identify universal leadership behaviours.

**Move Beyond U.S.-Hegemony:** The paper challenges the dominance of U.S.-based leadership theories, advocating for a more global perspective grounded in diverse cultural contexts, aiming to de-centre Western leadership paradigms.

The research underscores that **leadership effectiveness varies across different cultural environments**, and what is considered successful leadership in one society may be ineffective or even counterproductive in another.

## **Comparison -**

**How does Globe research compare with earlier models like Hofstede** - GLOBE study directly builds upon and extends Hofstede's foundational work on cultural dimensions. Hofstede (1980, revised 2001) identified key dimensions such as Power Distance, Uncertainty Avoidance, Individualism vs. Collectivism, and Masculinity vs. Femininity, which provided a basis for understanding cross-cultural differences in values and behaviours. **For example, GLOBE's** Uncertainty Avoidance dimension aligns with Hofstede's Uncertainty Avoidance, revealing that societies with high uncertainty avoidance tend to value leaders who provide stability and clarity, and are less receptive to risk-taking traits

GLOBE also introduces Humane Orientation and Gender Egalitarianism, enriching the understanding of how cultural values shape leadership expectations and practices. It also classifies societies into clusters based on cultural similarities, which helps in understanding how Hofstede's dimensions manifest collectively in different regions

**Globe study also connects with McClelland’s achievement motivation theory by incorporating motivation as a key component influencing leadership attributes and effectiveness within cultural contexts.**

The GLOBE study connects with McClelland’s achievement motivation theory by incorporating the understanding that motivation—whether achievement, affiliation, or power—varies across cultures and influences leadership behaviours and effectiveness.

While McClelland's theory emphasizes individual-level motivators, specifically how a person's dominant achievement or power motivation shapes their behaviour and leadership style, the GLOBE research extends this perspective to a cultural level. The study posits that cultural forces—embodied in culturally endorsed implicit theories—drive collective motivations and preferences for certain leadership attributes and behaviours.

GLOBE’s theoretical framework includes implicit motivation theory (derived from McClelland’s work), which suggests that cultural values influence the motivational bases of individuals and, consequently, their leadership practices. For example, cultures with high achievement motivation may favour leaders who demonstrate competence, decisiveness, and challenge-oriented behaviours. Conversely, cultures emphasizing affiliation might prioritize leaders who foster harmony, communal relationships, and consensus.

Aligning with McClelland’s assertion that motivational drivers are culturally embedded, the Globe research bridges individual motivation with societal- level cultural influences, emphasizing that what motivates leaders and followers in one culture may differ significantly in another due to these underlying cultural motivations.

**How Globe Study findings compare with various Leadership styles**

Leadership Style	Main Characteristics	GLOBE’s Cross-Cultural Perspective	Cultural Endorsement / Effectiveness
Transformational Leadership	Inspiring followers, fostering innovation, moral example	Recognized universally, with emphasis on charismatic/value-based attributes	Strongly endorsed across cultures; variations in expression and emphasis
Transactional Leadership	Clarifying roles, rewards based on performance	Recognized but with culturally specific nuances in how exchanges and formal authority are viewed	Effectiveness varies; more accepted in hierarchical cultures
Participative (Democratic) Leadership	Involving team members in decision-making	Valued in Western cultures with high team orientation and participatory preferences	Highly endorsed; aligns with cultures emphasizing individual input

Autocratic/Aut charitarian Leadership	Centralized decision- making, strict control	Negatively associated with effective leadership globally, but still common in certain East and Middle Eastern contexts	Generally, less effective; however, culturally accepted in some societies
Human- Oriented Leadership	Compassionate, caring, supportive	Generally appreciated; leadership that demonstrates humility and regard for followers is valued	Universally regarded positively, though expressions differ
Participatory Leadership (GLOBE- specific)	Encourages collaboration and involvement	Highly valued in cultures with high team orientation and low power distance	Variably effective depending on cultural context
Autonomous Leadership	Independent, self- reliant, individualistic	Reported negatively worldwide; linked to decreased leadership effectiveness	Less endorsed; may be appreciated in cultures valuing independence
Self-Protective / Paternalistic Leadership	Cautious, status- conscious, security- focused	Mixed; can be positively viewed in hierarchical, collectivist cultures but negatively elsewhere	Effectiveness and endorsement vary: positively in some Asian cultures, less so in others

Leadership Style	Main Characteristics	GLOBE's Cross-Cultural Perspective	Cultural Endorsement / Effectiveness
Humane- Oriented Leadership	Compassion, generosity, moral s integrity	Recognized globally as contributing to effective leadership	Strongly endorsed across cultures; reflects universal moral values
Team-Oriented Leadership	Emphasizing team building and cohesion	Highly valued, especially in cultures emphasizing collectivism and group harmony	Universally appreciated with cultural nuances in team practices

Participative Leadership (GLOBE dim)	Degree of involving others in decision-making	Highly valued in cultures with low power distance and strong group orientation	Positively linked to effectiveness in many cultures
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***Summarizing how cultural values influence Entrepreneurial Leadership behaviours:***

Cultural Value	Influence on Entrepreneurial Leadership Behaviours	Example
Power Distance	Tends to promote hierarchical, authoritative, or participative leadership styles based on societal acceptance of hierarchy.	<b>High power distance:</b> authoritative, centralized decision-making. <b>Low power distance:</b> participative, egalitarian approach.
Individualism vs. Collectivism	Shapes whether leaders focus on personal achievement or group harmony.	Individualism: visionary, charismatic behaviours emphasizing personal achievement. Collectivism: facilitative, relationship-focused to maintain group cohesion.
Uncertainty Avoidance	Affects risk-taking and adaptability in leadership behaviours.	High uncertainty avoidance: cautious, rule oriented. Low uncertainty avoidance: entrepreneurial, innovative.
Cultural Expectations	Leaders tailor their behaviours to conform with societal norms and values for effectiveness.	Socio-culturally appropriate behaviours ensure acceptance and success.



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**GLOBE study identifies and names the following 10 culture clusters**

**Latin America Cluster** - Countries: Argentina, Bolivia, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Venezuela

**Latin Europe Cluster** - Countries: France, Israel, Italy, Portugal, Spain, French- speaking Switzerland

**Anglo Cluster** - Countries: Australia, Canada, Ireland, New Zealand, South Africa (White sample), United Kingdom, United States

**Germanic Europe Cluster** - Countries: Austria, East Germany (former GDR), West Germany (former FRG), the Netherlands, Switzerland

**Sub-Saharan Africa Cluster** - Countries: Namibia, Nigeria, South Africa (Black sample), Zambia, Zimbabwe

**Middle East Cluster** - Countries: Morocco, Egypt, Turkey, Kuwait, Qatar

**Southern Asia Cluster** - Countries: India, Indonesia, Iran, Malaysia, the Philippines, Thailand

**Northern Europe Cluster**- Countries: Denmark, Finland, Iceland, Norway, Sweden

**Subordinate Regions** (not a specific cluster but included in analysis)- Various smaller groupings, often with distinct cultural profiles

**East Asia Cluster**- Countries: China, Hong Kong, Korea, Taiwan, Japan

**Clusters and Leadership Styles (GLOBE)**

Performance Oriented	Team Oriented	Participative	Humane	Autonomous	Self or Group-Protective
Higher	Higher	Higher	Higher	Higher	Higher

Anglo	<b>SE Asian</b>	Germanic	<b>SE Asian</b>	Germanic	Middle Eastern
Germanic	Confucian	Anglo	Anglo	E. European	Confucian
Nordic	L. American	Nordic	African	Confucian	<b>SE Asian</b>
<b>SE Asian</b>	E. European		Confucian	Nordic	L. American
L. European	African			<b>SE Asian</b>	E. European
L. American	L. European			Anglo	
	Nordic			African	
	Anglo			Middle Eastern	
	Middle Eastern			L. European	
	Germanic			L. American	

Performance Oriented	Team Oriented	Participative	Humane	Autonomous	Self or Group-Protective
Lower	Lower	Lower	Lower	Lower	Lower





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Confucian		E. European	L. European		Anglo
African		SE Asian	Nordic		Germanic
E. European		Confucian			Nordic
Middle Eastern		Middle Eastern			

The Study also shares how Cultural antecedents impacts Risk and Growth strategies

Antecedents	Impact on Risk & Growth Strategies
<b>Origin of Leaders</b>	Cultural worldview influences willingness to take risks and pursue aggressive growth
<b>Modernization</b>	More modernized societies may support innovative, risk-tolerant strategies
<b>Role-Demands of Leaders</b>	Designed to align with societal expectations; influences risk appetite and growth focus
<b>Leader Prototypes</b>	Cultural ideals shape strategies, e.g., collaborative vs. authoritarian approaches
<b>Leadership Preferences &amp; Behaviour</b>	Driving the risk level and growth tactics—participative might promote experimentation; authoritarian may favor stability

**Understanding how Culture dimensions differ by countries particularly Southeast Asia (India) vs Western Countries**

**Southeast Asian countries tend to cluster together, sharing certain dimensions such as higher power distance and collectivism, whereas Western countries often form separate clusters characterized by lower power distance, higher individualism, and other distinct cultural dimensions**

**Differences in Power Distance and Hierarchical Norms:** Southeast Asian nations typically exhibit **higher power distance**, meaning hierarchical structures and authority are more accepted and expected within organizations. In contrast, Western countries like the United States or Nordic nations tend to have **lower power distance**, favoring participative and egalitarian leadership styles.

**Collectivism vs. Individualism:** Southeast Asian cultures generally prioritize collectivism, emphasizing group harmony, loyalty, and consensus. Western cultures, especially those in

**Uncertainty Avoidance and Future Orientation:** Southeast Asian cultures often score higher on **uncertainty avoidance**, preferring clear rules and stability, affecting leadership behaviours that favour consensus and risk aversion. Western cultures may display more **risk-taking** and adaptability, aligning with a focus on innovation and future planning.

**Humane Orientation and Assertiveness:** Variations exist in humane orientation and assertiveness, influencing how leaders demonstrate compassion or competitiveness across regions. Southeast Asian countries may emphasize relational harmony and humility, while Western countries often value assertiveness and individual achievement.

**Leadership Effectiveness Preferences:** The study finds that cultural dimensions shape leadership prototypes—Southeast Asian societies tend to endorse leadership styles rooted in paternalism, hierarchical authority, and group harmony, whereas Western societies favour transformational and participative styles emphasizing innovation and individual empowerment.

The study reveals that Southeast Asian countries, characterized by high power distance and collectivism, tend to favour leadership behaviours that reinforce hierarchy and group cohesion. Western countries, with their emphasis on individualism and lower power distance, endorse more participative and autonomous leadership styles, **highlighting regional variations in leadership expectations and effectiveness.**

### **Indian Studies / Indian Cultural Context**

Rao, M.V.K. "The Impact of Entrepreneurial Leadership on Business Performance: A Study w.r.t MSMEs in Coastal Andhra Pradesh, India." - Rao ((paper was published in the Indian Journal of Economics and Business in December 2021) examines the influence of Entrepreneurial Leadership on business performance within the Indian MSME context, specifically focusing on Coastal Andhra Pradesh.

The study highlights that Indian cultural elements such as collectivism, relational orientation, respect for hierarchy, and community values significantly shape leadership behaviours and organizational practices. The findings suggest that Indian SME leaders tend to adopt relational and ethical leadership styles emphasizing mutual respect, empathy, and value-based interactions.

These practices foster trust and cohesion, leading to enhanced performance and sustainability. This approach contrasts with Western theories that often emphasize individualism, direct communication, and autonomous decision-making, which may overlook the importance of relational harmony and hierarchical respect prevalent in India. Rao advocates for leadership development practices that emphasize emotional

**intelligence, ethical conduct, and culturally sensitive conflict management tailored to the**

**Indian cultural setting.**

**Indian SME leaders leverage mutual respect and empathy, aligning with local norms that prioritize relational harmony over individual assertiveness.**

The study emphasizes that Western models focusing on individualism and egalitarianism may not fully capture the nuances of Indian leadership behaviours. For leadership development, this indicates a need for frameworks that integrate core Indian values such as community orientation, ethicality, and relational respect, fostering authentic and culturally resonant leadership practices that can improve organizational outcomes.

Vipin Gupta, Ian C. MacMillan, and Gita Surie, 2002, (DOI - 10.1016/S0883- 9026(03)00040-5.) – “Development and empirical validation of the construct of entrepreneurial leadership within a cross-cultural framework on how entrepreneurial leadership is perceived and manifests across different societies and cultures, utilizing data from the Global Leadership and Organizational Behaviour Effectiveness (GLOBE) study. –

Entrepreneurial leadership is not universally perceived the same way; it is strongly shaped by cultural values, social norms, and resource conditions. The perception of entrepreneurial leadership differs across cultures and is shaped by several factors:

**Cultural Dimensions:** Traits like power distance and egalitarianism affect receptiveness. High power-distance cultures (e.g., Middle Eastern, Confucian) are generally less open to entrepreneurial leadership than more egalitarian societies (e.g., Anglo, Nordic).

**Access to Resources:** Availability of knowledge, technology, and finance influences how entrepreneurial leadership emerges and is practiced.

**Perceived Effectiveness:** Although societal structures shape broad organizational norms, individual leaders are judged through culturally specific lenses. What is seen as effective leadership varies by culture.

**Values and Beliefs:** Cultural attitudes toward achievement, innovation, and risk-taking determine whether entrepreneurial leadership is embraced or resisted.

**Azam Malik, 2020**, in “An Investigation on Leadership Styles for the Business Productivity and Sustainability of Small Medium Enterprises (SMEs)” from the International Journal of Entrepreneurship - the paper digs into how different leadership styles affect small and medium enterprises (SMEs), especially in India. According to the document, one significant challenge is **the need for leaders to adapt their styles to suit the dynamic and often resource-constrained environment of SMEs**. For example, shifting towards transformational leadership requires managers to develop new psychological attributes such as self-awareness, motivation, and effective communication skills, which may not be innate or easily acquired.

The cultural and organizational context of SMEs can pose barriers; resistance from team members accustomed to traditional or autocratic leadership approaches may hinder the adoption of more participative or transformational styles. The paper suggests that leadership styles are influenced by individual personality traits and entrepreneurial orientation, which implies that aligning leadership style with personal and organizational characteristics is crucial. Misalignment here can lead to ineffective leadership practices and impede the desired positive impacts on productivity and sustainability.

Transformational leadership shows a significant positive correlation with business productivity. Transactional leadership does not significantly predict productivity. Indian culture tends to emphasize collectivism, respect for authority, and hierarchical relationships. Leaders are often expected to display respect, authority, and a paternalistic approach, which can shape leadership behaviours towards more directive or authoritative styles. Building personal relationships and trust is crucial in Indian business environments.

**Hemant Babu Jagdale, 2024**, “Sustainability in startups/SMEs: The Influential Role of Entrepreneurial Leadership and Innovative Behaviour” (DOI: 10.1108/JSBED-01-2019-0027) - Entrepreneurial leaders are instrumental in fostering creative environments that support innovative behaviours, which are crucial for long-term sustainability. Leadership styles like transformational, ethical, and authentic leadership, highlighting its significance in dynamic environment. Leadership values influence organizational norms and practices, shaping a culture that prioritizes sustainability and innovation. A culture that embraces receptivity to new ideas fosters innovative behaviour.

There is a limited understanding of the precise mechanisms through which entrepreneurial leadership impacts organizational processes, particularly in fostering innovation and sustainability practices. Entrepreneurial leadership and innovative behaviour are recognized as critical factors for sustainability in startups and SMEs

**Neeta Veerappa Karadakal, 2015**, “Impact of leadership role perspective on conflict resolution styles - a study on small and medium sized entrepreneurs of Karnataka State” (DOI: 10.1186/s40497-015-0019-6) - The study explores how



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entrepreneurs' perceptions of their leadership roles influence their conflict resolution styles within SMEs, emphasizing the role of cultural and leadership factors in conflict management.

The study identifies two main leadership role perceptions among entrepreneurs:

**Benevolent Leadership Role:** Entrepreneurs see themselves as caring and responsible heads who prioritize the well-being of their employees, aligning with paternalistic and nurturing leadership models.

**Benevolent-Authoritative Leadership Role:** Entrepreneurs perceive themselves as benevolent but also authoritative, combining care with control, reflecting traditional authoritative leadership styles.

This connects with classical and modern leadership theories, **Fiedler's Contingency Theory:** Emphasizing that leaders must adapt their styles based on the situation and **Goleman's Leadership Styles:** Including coercive, authoritative, affiliative, democratic, pacesetter, and coaching styles, highlighting that **successful leaders often employ multiple styles.**

The Paternalistic Leadership Model is a cultural trait, prevalent in many Eastern societies, including India. In India, cultural values favour harmonious relationships and personalized leadership influencing entrepreneurs' conflict styles—favouring cooperative or avoidant styles, depending on their leadership perspective.

The collectivistic Indian culture promotes a family-like leadership style, with entrepreneurs perceiving themselves as caring and responsible leaders (Karta role). The cultural emphasis on hierarchy, care, and control influences conflict management, steering entrepreneurs toward styles that maintain harmony. **Indian entrepreneurs tend to exhibit paternalistic or authoritarian leadership traits but also show flexibility and adaptability, especially in internal employee management.**

**Sourab Das, 2023, - "INFLUENCE OF LEADERSHIP STYLES ON BUSINESS MODEL, PERFORMANCE AND SUSTAINABILITY OF SMALL AND MEDIUM ENTERPRISES IN**

**INDIA"** - The paper investigates the impact of various leadership styles on the adoption of business models, performance measures, and sustainability strategies among Indian small and medium enterprises (SMEs).

The study adopts a descriptive and correlational research design to examine the associations between leadership styles, business model adoption, and performance/sustainability outcomes. The study focuses on Indian SMEs, selected using stratified sampling to ensure representation across different sectors, sizes, and regions.

Transformational, strategic, entrepreneurial, sustainable, and ethical leadership styles are positively associated with traits such as mutual respect, empathy, transparency, and client attachment, which are crucial for sustainable business practices in SMEs. SME leaders emphasizing core values, transparent communication, and mutual respect tend to adopt growth strategies rooted in ethical principles, fostering a positive organizational culture that supports long-term performance and sustainability.

Building strong client relationships through mutual respect, empathy, and transparent interaction is a common trait across predominant leadership styles, especially transformational leadership. Traits such as agility, flexibility, resource optimization, and risk management are linked with ethical and strategic leadership styles, indicating that leadership significantly shapes how SMEs adopt business models and measure performance.

## **To Summarize the Literature Review**

### **Western Leadership Models**

Traditional leadership frameworks, notably those developed by Yukl (2013), propose behavioural dimensions such as task-oriented behaviours (planning, role clarification, monitoring, problem-solving) and relation-oriented behaviours (supporting, developing). These models emphasize effectiveness through adaptability and behavioural flexibility. However, they primarily reflect Western cultural assumptions emphasizing individual achievement and autonomous decision-making.

### **Indian Cultural Context and Leadership**

India's socio-cultural landscape significantly influences leadership practices. Cultural traits such as collectivism, relational orientation, respect for hierarchy, and community values underpin leadership behaviours among Indian SME founders. Leaders often adopt relational and ethical styles, emphasizing mutual respect, loyalty, and social harmony, diverging from the Western emphasis on individualism.

### **Key Differences from Western Paradigms**

While Western leadership models focus on individual performance and autonomous initiatives, Indian leadership often emphasizes relational harmony and community-based decision-making. This cultural orientation affects organizational norms, leading to leadership styles that prioritize ethical conduct, relational trust, and hierarchical respect—forming the foundation of organizational culture in Indian SMEs.

### **Research Methodology**

The review synthesizes findings from peer-reviewed academic sources, including articles from databases such as Scopus and Google Scholar. Keywords used in the search encompassed “entrepreneurial leadership,” “organizational culture,” “SMEs,” “startups,” and “India.” Inclusion criteria emphasized studies focusing on Indian SMEs or startups, with particular attention to founder leadership and cultural influences. A thematic analysis was conducted to distil salient insights regarding leadership behaviours, cultural norms, and organizational outcomes in the Indian context

**Inclusion Criteria** - Research focusing on Indian SMEs; Service and Manufacturing related startup ; Studies published in peer-reviewed journals; Studies investigating founder leadership style in relation to organizational culture

**Exclusion Criteria** - Family owned as a direct focus or tech startups; Studies outside the Indian SME context.; Articles that focus solely on leadership without discussing culture.

**Search Strategy**- Databases searched Scopus & other journals (Google Scholar)

30 studies initial Google Scholar and other journals, Globe study 1990 and 2004. After applying inclusion and exclusion criteria 22 papers selected. Only few studies (6 numbers) found which were focused on Indian SMEs, however some studies are general in nature and can be applied to Indian context and Indian SMEs. Most studies pertain to study of leadership styles of entrepreneurs and particularly founder leaders and organizational culture and its impact

### **Characteristics of studied papers – (PRISMA Flow)**

Studies include papers published between 2004 to 2025 except 1 (85%+ pertain to last 10 years).

15 out of 21 (75%) are Empirical studies; rest are conceptual or qualitative studies.

11 papers have used quantitative research methodology 3 have used mixed methodology and 5 have used qualitative.

8.4.4. studies have focused on SME's while rest are general studies which can be applied to SME's

There are 7 studies specific to Indian context, although 1 paper cover data from South Asia which covers India. However, studies can be applied to Indian context.

Most of the studies are general and not Industry specific to manufacturing, Service or technology. However,

The GLOBE study conducted in 2004 encompassed a broad international scope, involving data collection across 62 societies or countries. The research primarily examined societal culture, leadership, and organizational practices at the country and society levels however it applies to leadership across SME's and Indian context.

### **Key Thematic Findings**

Overall, these cultural distinctions suggest that Western leadership theories may lack applicability or need adaptation when applied in Indian contexts, as they often do not incorporate the cultural values of relational harmony, respect, and community orientation prevalent in India.

**Leadership Styles in Indian SMEs** - Research indicates that Indian SME leaders predominantly exhibit relational, ethical, and transformational leadership behaviours. These styles are characterized by fostering trust, mutual respect, and community engagement, which resonate with traditional cultural values prevalent in Indian society.

Entrepreneurial leadership is not universally perceived the same way, it differs across cultures and is shaped by several factors due to cultural dimensions, access to resources, societal structures that shape broad organizational norms, what is seen as effective leadership varies by culture for example cultural attitudes toward achievement,

innovation, and risk-taking determines whether entrepreneurial leadership is embraced or resisted.

. For SME's transformational leadership shows a significant positive correlation with business productivity. Leaders are often expected to display respect, authority, and a paternalistic approach, which can shape leadership behaviours towards more directive or authoritative styles. Building personal relationships and trust is crucial in Indian business environments.

### **Cultural Influences on Leadership**

Indian cultural traits such as collectivism, relational orientation, respect for hierarchy, and community values heavily influence leadership practices. Leaders often act as custodians of social harmony, using culturally aligned behaviours to reinforce organizational cohesion and shared purpose.

Indian SME leaders leverage **mutual respect and empathy, aligning with local norms that prioritize relational harmony over individual assertiveness**. Western models focusing on individualism and egalitarianism may not fully capture the nuances of Indian leadership behaviours. For leadership development, there is a need for frameworks that integrate core Indian values such as community orientation, ethicality, and relational respect, fostering authentic and culturally resonant leadership practices that can improve organizational outcomes.

**Creation of Organizational Culture-** The leadership styles rooted in Indian values cultivate organizational cultures that emphasize trust, cohesion, ethical conduct, and respect for authority.



These cultural attributes inform the norms and practices of SMEs, influencing strategic choices related to growth, risk management, and innovation.

Traits such as agility, flexibility, resource optimization, and risk management are linked with ethical and strategic leadership styles, indicating that leadership significantly shapes how SMEs adopt business models and measure performance.

**Behavioural Dimensions-** Leadership in Indian SMEs encompasses a hybrid of task- oriented behaviours—such as goal setting and problem-solving—and relation-oriented behaviours—such as support and development. This blend ensures alignment with cultural norms and operational effectiveness, impacting organizational resilience and strategic success.

**Research should aim to develop and validate comprehensive performance measurement systems that integrate financial, environmental, social, and relational dimensions aligned with Indian cultural values, supporting sustainable business practices.**

#### **Points for Discussion**

**Need for research tailored to the Indian cultural environment** to assess whether existing models of leadership and innovation apply or need adaptation. This could involve comparative studies across different regions or industry sectors within India

**Investigate how different cultural dimensions and values influence leadership perceptions** and conflict management styles, possibly comparing Indian entrepreneurs with those from other cultural backgrounds to understand cultural specificity and universality.

**Integration of Cultural Norms and Leadership Practices** - Indian cultural norms fundamentally shape leadership behaviours. Leaders prioritize relational and ethical practices, emphasizing mutual respect, community well-being, and hierarchical harmony. These behaviours reinforce shared values that underpin organizational culture.

**Examine how core values and ethical leadership influence SME growth**, sustainability, and business performance measurement in diverse Indian industry sectors, contributing to context-specific leadership theories.

**Examine relationships among societal culture, leadership, and organizational practices.** Examine the cultural changes, interpersonal trust, leadership perceptions across genders and cultures, and to expand the number of states and Industries mapped in the project.

**Explore the relationship between State and Industry culture and antecedents of interpersonal trust.** Gain insights by expanding the number of States mapped, Industries covered, particularly in Goa and other major cities.

**How leadership perceptions differ across genders and cultures?** Understanding these cultural distinctions is crucial for designing leadership development practices that resonate with Indian SME leaders, enhancing both organizational performance and long- term sustainability.

**Comparison with Western Models** - While Western leadership frameworks emphasize individual achievement and autonomy, Indian SME leadership styles prioritize relational harmony, moral authority, and hierarchical respect. Recognizing these differences is essential for developing contextually relevant leadership models and training programs.

### Research Gaps and Future Research Identified

Research specific to Indian SMEs remains limited, with many studies covering broader cultural contexts.

Future investigations should focus on - How specific leader behaviours influence organizational culture during various growth stages.

The role of cultural values in facilitating innovation and risk-taking.

Developing culturally adapted leadership frameworks tailored for Indian startups and SMEs.

**Refinement of measurement tools:** Developing more precise and performance- based instruments tailored specifically to entrepreneurial leadership.

**Micro-level and contextual analysis:** Further exploring how entrepreneurial leadership manifests at the individual, team, and organizational levels, including the influence of contextual factors such as institutional support, resource availability, cultural norms, and environmental volatility.

**Examining societal and institutional factors:** Studying the role of societal structures, such as economic systems and institutional support mechanisms,

**How specific Indian cultural elements** like respect for elders, social harmony, religious values, or traditional ethical norms **directly modify leadership effectiveness**. Creating or adapting leadership frameworks that integrate Indian cultural dimensions such as collectivism, respect for hierarchy, religious values, and ethical norms.

While theories like Hofstede's and Lord and Maher's emphasize cultural influences on leadership, there are few studies that empirically examine **how these cultural dimensions specifically impact conflict resolution styles among Indian entrepreneurs**.

### Conclusion

This literature review highlights the profound influence of Indian cultural values on entrepreneurial leadership styles in SMEs. Leaders tend to adopt relational, ethical, and transformational behaviours rooted in collectivism, respect for hierarchy, and community orientation, shaping organizational culture in ways that promote trust, cohesion, and resilience. These culturally nuanced leadership practices are instrumental in driving organizational growth, innovation, and sustainability within the Indian startup ecosystem.

**Cultural differences significantly influence leadership styles across industries by GLOBE study** suggests that what is considered effective leadership varies across industries within the same culture, influenced by societal values. Leader effectiveness is contextual, influenced by societal and organizational norms, values, and belief. GLOBE research findings encourage further research on cross-cultural management and the integration of knowledge across disciplines.

Cultural differences shape leadership styles by influencing how leadership is perceived, how authority is exercised, and which behaviours are deemed appropriate or effective within specific industries and cultural contexts. These differences underlie the importance of culturally contingent leadership practices that align with societal values and industry demands

**Understanding the culturally valued traits**—such as being autonomous, ambitious, or risk-taker—helps entrepreneurial leaders tailor their strategies and behaviours to resonate with local audiences, employees, and stakeholders.

GLOBE study underscores that **effective entrepreneurial leadership cannot be universal**; it must consider cultural nuances to foster innovation, motivate teams, and achieve success internationally. Leaders who understand and incorporate these cultural contingencies are better positioned to lead entrepreneurial ventures effectively across borders.

Overall, effective leadership is not universal but must be adapted to local cultural norms and values, aiming to move beyond U.S.-centric leadership models and enrich global leadership theory and practice

The paper concludes that leadership is both universally recognizable and culturally contingent. There is a remarkable global consensus across diverse cultures and regions regarding the qualities of effective leadership, notably traits such as charisma, value-based behaviour, and team orientation.

However, the study also emphasizes that the ways in which leadership is enacted and the behaviours considered effective are significantly influenced by cultural norms and values. For example, in India, leadership behaviours are deeply influenced by cultural dimensions such as paternalism, hierarchy, and social harmony. Leaders may embody paternalistic or humane qualities aligned with local expectations, reflecting cultural specifics amidst universal leadership traits.

**Integrating cultural values into leadership development and organizational practices can significantly enhance SME performance in India** by aligning leadership behaviours with ingrained social norms and expectations.

Indian cultural elements such as collectivism, relational orientation, respect for hierarchy, and community values significantly shape leadership behaviours and organizational practices.

The review also identifies notable gaps, emphasizing the need for further research to develop culturally embedded leadership models specific to Indian SMEs and startups. Such advancements will support leadership training, policy formulation, and strategic growth in India's vibrant entrepreneurial landscape.

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