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# Competitive Advantage Leadership in the Ultra Modern Era

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## Abstract

The environment in the ultra modern era is changing rapidly and the business competition is very sharp, so there is a need for a new leadership style. Company leaders' need have good managerial and entrepreneurial skills, namely proactively managing change to benefit from opportunities arised. The leader is to have the best quality of leadership to lead and continue to adapt to the dynamics of environmental and market developments. They are supported by prime human capital to take advantage of their organizations. An ultra modern era leadership style with managerial abilities that proactively manages the changes and takes advantage of opportunities is mean managerial leadership. Entrepreneurial leadership is a person who has the quality to lead and constantly adapt to the changing environment and market to take advantage of his organization, and the concept of entrepreneurial leadership synergizes with managerial leadership that has been applied and developed in various business institutions and nonprofit organizations. Key factors in implementing human capital are people and skills, creating value for the organization—people as assets, remuneration, training, development and empowerment, and career development to promote the success of the performance of an organization or company.

**Keywords:** human capital, managerial, entrepreneurial, leadership

## 1. Introduction

It goes without saying that our environment is constantly changing. In today's twenty-first century, the changes are unpredictable resulting in a situation where adaptive institutions (those who perceive changes as a necessity) are the ones to survive and compete. One of the examples is the case of Nokia that the fall of Nokia is caused by the failure of its leader to accept changes in the market preference towards Android phones. The twenty-first century is regarded as a global leadership century where a notion of limitless border among nations, countries, and people should be comprehended. This provides the opportunities for everyone to become a leader and to work across the varied skills and cultures. The era of the rapid, yet disruptive world demands a new leadership style with managerial abilities that proactively manages the changes and takes the advantage over the opportunities. This type is the combination of managerial and entrepreneurial leadership.

In [1], a new leadership approach, i.e., entrepreneurial, is necessary for today's dynamic and competitive environment (including market atmosphere). This is to enhance the performance of an institution as well as its capacity to adapt and to take the advantages over the opportunities to manage its sustainability. Entrepreneurial leadership is expected to be applicable in a hypercompetitive and disruptive environment. Entrepreneurial leadership refers to an individual possessing the quality to lead and continuously adapt with the ever-changing development of the environment and market in order to take the advantages for his or her organization. Recently, the concept of entrepreneurial leadership complements the idea of managerial leadership that has been implemented and developed in several business institutions and nonprofit organizations.

The above phenomenon emphasizes the idea of the necessity for organizational management, where several of its employees have double position, i.e., as a manager and as an entrepreneur leader. With being said, organization leaders are urged to possess "prime" managerial and entrepreneurial abilities as a strategic element for the success of the organization. The aim of this book is to provide insight and the key concepts grounding from several studies on leadership. This book discusses programs and activities that are able to improve the managerial and entrepreneurial leadership, and maintain the quality of these two styles of leadership in sync and continuously.

## **2. Human capital**

Human capital, in an institution or a company, serves as the most strategic resource. In [2], human capital refers to the way of dominating and developing knowledge, skill, ability, capacity, and innovation in an organization. Furthermore, in [3], the key factors in the implementation of human capital comprise of people and skill, create value for the organization—people as assets, remuneration, training, development, and career progression to promote the success of the performance of the organization or company. In [4], the interrelation between human and performance is reflected by the career opportunities and satisfying rate. These two aspects are central to the series of particular model for optimum performance.

Research in [2] issues the roles of human capital strategic, i.e., competence, compensation, and career, towards the performance of employees. The purpose of this research is to explore the extent to which the three independent variables, i.e., competence ( $X_1$ ), compensation ( $X_2$ ), and career ( $X_3$ ), influence the dependent variable, i.e., employee performance ( $Y$ ). The result of those research is found:

- the contribution of competence, compensation, and career towards the performance of employees is 57.5%. In addition, the percentage of 42.5% is influenced by other factors;
- the factor of competence ( $X_1$ ), compensation ( $X_2$ ), and career ( $X_3$ ) simultaneously significantly contribute to the employee performance ( $Y$ );
- the factor of competence ( $X_1$ ) significantly contributes to the employees' performance the most in comparison to the variable of compensation and career;
- it is revealed that the factor of career ( $X_3$ ) is the second variable that significantly contributes the most on the employee performance; and

- the factor of compensation is not significantly contributes on the employees performance.

Another research in [5] conducted research on human capital in private company. It is aimed at exploring the extent to which the variable of training ( $X_1$ ) and competence ( $X_2$ ) contributes to the employee performance. The results of the research are:

- the contribution of competence, compensation, and career towards the performance of employees is 73.8%; on addition, 27.2% is influenced by other factors;
- the factors of training and competence simultaneously significantly contribute to the employee performance; and
- the factor of competence ( $X_2$ ) contributes to the employee performance the most in comparison to the variable of training.

The result of the aforementioned studies can serve as reference in enhancing the performance of the organization in today's global era. This can be done by:

- a. designing training programs in enhancing the performance of the leader and all member of the organization. The focuses of this program are as follows:
  - designing workshops to meet the demand of the tasks and condition of the leader, and organization staffs in the digital era;
  - promoting an environment that supports the utilization of technology to ensure the conduct of quality workshop;
  - ensuring a professional training transfer, this signifies that the mode of the training is not only in a traditional face-to-face mode. In the digital era, it is necessary to develop once experience and knowledge by exchanging ideas between organization leaders, the leaders with staff. This should be carried on a regular basis and continuously in the workplace. Furthermore, the format of the development program can take form in digital training, mentorship, and coaching;
  - designing skill equivalency programs for the leaders and organization staffs through competency tests based on the needs of the standard of education and industry;
  - implementing technology for the assessment of employees; and
- b. competency development programs can also be implemented to enhance the performance of the leaders and staffs. The programs are able to:
  - improve the empathy of an individual towards his or her career, which drives the person to perform to their maximum capacity;
  - raise the initiative of leaders and organization staffs to maintain their performance and to carry out their duties without even being ordered;

- promote a sense of providing sincere service continuously for the users;
  - improve the interpersonal understanding to cooperate with other organizations on the basis mutual trust;
  - improve the effectiveness of personal competencies, i.e., integrity and good behavior according to the codes of conducts or principles of morality;
  - improve the abilities in implementing the principles of human resources management to contribute to the success of the organization;
  - improve the ability to manage interaction with customers and other organization in providing quality services to ensure the success of the organization;
  - improve the ability to express ideas to the employees and leaders in dealing with issues, such as the provision of legal assistance, health insurance, and daily need services (cooperation of the employees);
  - improve one's initiative by providing spaces and opportunities for leader and staffs to express their ideas in every event; and
  - promote a situation that integrates the core value of honesty and responsibility.
- c. compensation development programs in enhancing the performance of the organization staffs are as follows:
- increasing remuneration to the leaders and organization employees for their position and contribution in attaining the goals of the organization;
  - increasing monthly allowance for the aforementioned staffs. The allowance is given based on the performance of the staffs;
  - providing incentives for all the organization staffs as an award for their maximum performance;
  - increasing indirect compensation by providing specific programs, i.e., health and life insurances for the employees; and
  - maximizing the benefits of the pension fund as compensation from the organization to its retirement.
- d. career development programs in enhancing the performance of the organization staffs be able to:
- enhancing the effectiveness of human resources career planning in organization. This focuses on the identification of the career path for the advancement of the leaders and employees;
  - maximizing the effectiveness of individual career planning focusing on the responsibility of the individual for his or her career;



- improving the effectiveness of career development by facilitating the development of an individual's work performance and achievement in attaining career goals, and
- enhancing career development programs by integrated, transparent, and objective career development of the employees and institution.

The result of the research on the aspects of human capital above represents the efforts in developing the ability of human resources, i.e., employees of an institution. The efforts are, by nature, managerial attempts that are mandatory for a leader to manage to increase the competitiveness of the institution in a globalized era.

### 3. Leadership

The character of leadership in the future is different from the quality of leadership before. The most notable trait is the way the leaders uses their power to empower their subordinates; this term is well-known as empowering and enabling [6]. The importance of empowering and enabling concept reflects the changes from the idea of managing knowledge, and people were not integrated to managing people with knowledge to be integrated. In enforcing characteristic of leadership based on the above concept, and in [6], it mentions several abilities that should be possessed by the leader of an organization in this competitive era, such as:

- abilities to determine and formulate built shared vision of the organization;
- abilities to determine coordination pattern between fellow leaders and subordinates, e.g., integrating the potential of the subordinates in coordinating a multiple task-focused team;
- abilities to cope with conflicts in a fair and calm manner (*acknowledge and test mental models*);
- possessing broad knowledge to determine a better policy based on the dynamics and complexity outside the institutional system of the organization;
- encourage a challenging atmosphere to the employees in promoting innovation, creativity, and risk-taking attitude; and
- abilities to design a concept of a complex issues and conceptualize it into innovation and grounding for the learning in an organization (conceptualize, inspire, learning, and action).

Generally, the term leadership is defined as an individual with the capability to mobilize, synchronize, and lead a group and to express ideas in which other people accept it. A leader is central to promoting changes and is responsible for directing every works and dealing with obstacles to ensure the clarity of the vision of an institution. Another obligation of a leader is to conceptualize an organizational climate that promotes the independence of the employees and, at the same time, the employees aware of their responsibility. In [7], the leadership is closely related to the ability to motivate and influence subordinates, and a successful leader is the one who is able to direct and influence subordinates. Furthermore, a leader with this

quality is able to carry out his or her managerial roles based on the pre-determined goals. According to [8], a good leader possesses several characteristics as follows:

- a. **balanced responsibility:** the term balance in this topic refers to the balance between the responsibility of a person for works and subordinates;
- b. **positive role model:** role model encompasses the responsibility, behavior, and achievement that people expect to be possessed by a person with a certain position. In other words, a leader must be a good role model for his or her subordinates;
- c. **good communication skill:** a good leader should be able to express his or her ideas concisely and clearly. The way the leader communicates must be done in an appropriate manner;
- d. **positive influencer:** a good leader positively influences his or her subordinates. This is considered as an art of using the authorities of the leader to direct and change the perspective of the subordinates towards a particular point of view; and
- e. **convincing:** a successful leader is able to take advantage of his or her communication skill to convince the others and direct them to fulfill their responsibilities.

The tendency of future leadership heads towards teaching organization in which it functions to anticipate changes and diverse knowledge, skill, and ability of human capital and to enhance the performance of an institution. The success of an institution in the competitive, globalized era is determined by the momentum of the institution to change or adapt with its business or industrial environment. The above discussion shows that the competence of leadership is central to the efforts of the organization in achieving competitiveness and gaining an advantage in this globalized era. A leader is urged to be responsible for directing every attempt in coping with issues and ensuring the clarity of the vision. Another obligation of a leader is to conceptualize an organizational climate that promotes the independence of the employees and, at the same time, the employees aware of their responsibility.

One of the most notable achievements of modern sociology of leadership is the development of role theory. Every member of society, according to this theory, has a certain position and plays a certain role. This indicates that leadership is viewed as an aspect of role of differentiation. Furthermore, this signifies that leadership is defined as an interaction between an individual with his or her members of the group. Ideologically, a leader or a manager has some characteristics, i.e., strong, persistent, and having broad knowledge, that outweigh other people [9]. Although leaders are few in numbers, their contribution is central to the success of attaining the goal of their organization. The vision of a leader is determined from the direction of the organization. Even though a leader is not the only contributing factors to the success of an organization, its absence results in the organization being static and has no clear target.

In the history of human civilization, the sustainability of an organization is a dynamic movement that is determined by a small group of people as who manage the organization. It can be said that the advancement of people comes from a few numbers of people with a specialty that eager to be a pioneer, creator, and expert in an organization. This group of people is leaders, and this fact signifies that leadership is a key to good management. In carrying out leadership duties, a leader is

responsible not only for his or her superior and for the success of the organization, but also for the internal problem of the institution. This encompasses the responsibility for developing and guiding human resources through training and development. From the external factor, a leader is responsible for the social aspect of a society or public accountability. The basic leadership theory discusses two factors, i.e.

- a. factors involving in the conceptualization of a leader and
- b. characteristics base of leadership.

Research on two aforementioned factors is more suitable than the theory. However, the theory of leadership is also intriguing as it helps to define and to formulate some issues in several studies. Some literature on leadership reveals that the theories of leadership are influenced by research in [10] the background of famous people that implement inheritance-based leadership. Further studies point out that every member of a society has different intelligence, energy, and moral power. The individual is also lead by a superior person.

In the further development, some theorists develop a view of the emergence of great leaders as a product of time, space, and temporal situation. In [7], two developed hypotheses of leadership are:

- a. the quality of a leader and leadership that is determined by a situation of a group; and
- b. the quality of an individual in coping with a momentary situation is a product of successful leadership that previously addressed a similar issue.

Two theories, i.e., *trait theory* and *situational theory* explain leadership as an effect of a single authority and power. The interactive effect between individual and situational factors seems to receive little attention. With that being said, exploring the concept of leadership should encompass:

- a. the characteristics of effective, intellectual, and individual behaviors; and
- b. the specific condition of an individual in the implementation of leadership.

Another opinion [10] asserts that aspects which should be focused on in order to understand the concept of leadership are:

- a. characteristics and motives of a leader as an ordinary person;
- b. conceiving that a leader should pay attention to his or her subordinates as they follow the leader;
- c. a leader should play his or her leadership roles; and
- d. institutional correlation which should involve leader and subordinates.

The above opinions can be categorized as a personal-situational theory of leadership. This is because the view discusses not only the present situation but also the interaction among individuals or between leaders and their groups. A theory of leadership that is developed according to the above three theories is *interaction-expectation* theory. This theory develops the role of leadership by referring to three



basic variables, i.e., attitude, interaction, and sentiment. It is assumed that an increase in the frequency of interaction and participation is closely related with the increase in sentiment or feeling of happiness and the clarity of norm of groups. The higher the position of an individual, the more appropriate the activities with the norm of groups. In addition, the interaction is more distributed, and more groups of members are convinced to interact.

A study in [11] reports that to support corruption eradication in an organization, a managerial leader should possess several qualities such as smart, sociable, confident, honest, trustworthy and responsible, encouraging members to perform and obtain optimal satisfaction, expressing thoughts concisely, passionate, valuing morality, focusing on internal supervision, anticipatory followed by good corporate governance, and not developing centralized leadership. A managerial, centralistic leader is a person who prioritizes forcing which impacts on legal aspects, such as:

- a. vague rules and conditions where it cause ambiguous results for every violation committed by all members of organization;
- b. inconsistent implementation of sanctions for violations;
- c. over-early investigation, fact-discovery, and conclusion-making which are susceptible to biased verdict and law implementation;
- d. vague law procedures, subjective perspective on a case, and lack of credibility; and
- e. lack of law justice and equality.

The above research results serve as a guideline institutions or organization in improving its competitiveness. This is also to help the implementation of corruption prevention/eradication, i.e., prioritizing the organizational culture and the implementation of strict “organizational ethics” in an organization. A managerial organization leader is obliged to implement clean and good corporate governance in relation to the implementation of organizational culture and ethics. The following are some organization ethics that should be improved:

- a. every human resource in an organization must follow his or her job description accurately and respond it immediately;
- b. employees in all work units of an organization should implement their jobs based on a certain analysis. The employees are also demanded to pay attention to the details of the works;
- c. employees in all work units of an organization should ensure transparent and responsible processes and the management and provision of facilities;
- d. all leaders in every work unit should consider the impact or the outcome of the improvement of organization performance in every decision-making process; and
- e. all leaders in every work unit are encouraged to implement *empowering* and *enabling* approach in organizing the operational works. The examples of these approaches are mentoring, coaching, team learning (learning with others), or team working. These are carried out together with fellow leaders or employees or between the leaders and the employees.

#### **4. Managerial leadership**

Managerial leadership is an important role demanded of managers due to their managerial works (technical works). In [12], typical activity patterns of managerial works are the people as the responsible managerial party working in a long period and often bringing the project at home. Their mind continually finds and analyzes new information. This is an automatic process, and they are always reminded to finish it under any circumstances. They keep receiving requests of information, assistance, briefing, and authority from the subordinates, co-workers, leaders, and other people excluded in the organization. This managerial activity is different from general perceptions that consider a manager is only making plans, arranging activities, and then waiting for an exception of normal operations that need much attention.

Manager activities are varied, yet it is often interrupted because of the high activity frequency and intensity so that talks are unfinished, and significant activities are interspersed with unimportant ones, requiring a quick change of feeling. A considerable number of managers are very reactive instead of being proactive. Most of their time is spent by carefully analyzing the problems of the organization/business as well as developing plans to deal with it. The remaining time is used to read letters or documents, handle administrative works, read reports from subordinates, write reports/memos, read journals or technical publications, and news related to managerial activities.

In [12], it claims that general manager network frequently reaches hundreds of people, either the internal or the external parties of the organization. Network interaction is necessary for information needs inside or outside the organization, which later affect the manager performance and career. The ability to develop network and cooperation is essential to support changes and innovations that can be successfully carried out. Developing network in organizations is performed with the following ways:

- having a talk with the people in formal or informal occasions in them organization;
- serving a particular committee, stakeholder, and task force;
- joining a group of community leaders, advisory board, and social club; and
- being active in conducting and attending several conferences, workshops, seminars, trade and industry exhibitions, profession association forum, education forum, science and technology, and others.

The managers should constantly build networks. They constantly interact and communicate to gain information from different sources, such as:

- written sources (disposition, memo, recording, letter, report, written order/instruction, and contract);
- planned and/or unplanned meetings; and
- in the site observations.

In performing interaction and communication, the main choice of the managers is by using “oral communication”; via telephone and face-to-face meeting to obtain

information exchanges and efforts to influence people. Managers prefer current information, which is from face-to-face contact with the ones who have information access, including those outside the managers' work sub-unit. Rumors are new information on the latest event and development; written reports, meanwhile, are summary-like information of the old event. New and detailed information helps a manager; information gained from facts, opinions, gossips, behaviors towards interests, and things related to him as a manager. Oral communication gives an effect, i.e., strengthened by intonation, movement, expression, and other nonverbal communication. Managers, in oral communication, also needs jokes and discusses job-unrelated topics, such as sports, arts, hobbies, and the like. Moreover, social activity and informal communication be able to facilitate them to develop and maintain the effectiveness of the strategic network relationship.

Managers, in decision-making, normally need supports and authorities from various parties, hierarchy levels, and organization sub-units. For this reason, they should consult with the subordinates, co-workers, and leaders regarding the vital decision to be taken. Every person can be the initiator of the decision-making that it does not only depend on people who make the last option among action alternatives. Some parties, managers, and functional specialists oftentimes disagree with the solution of the issues that will be decided due to different perspectives, assumptions, values, impacts, and consequences. In addition, decision-making is a complicated process that it takes months to years as a result of interruptions, issues deflected by the opponents, crisis, or it is returned to the initiators to be fixed based on critics and suggestions also note that strategic decisions which have impact on the organizations/institutions can be performed, depending on the influencing ability, the initiators persistence, and relative authority of the people who are responsible for the decision-making. Managerial decisions are not always on a large-scale, complex, having a big change, and going through a long political process that spends a lot of time; this rarely happens to managerial problems. Most managerial problems that should quickly be decided are related to: operations; work plans; giving authority by utilizing funds for office stationery and equipment purchases; wage increase for the employees; and work achievement allowance. This decision has its solution and low risk, and the decision-maker should consult with some people as well as should immediately make the decision due to the critical deadline; although this decision is not too important, it still needs the adequate technical capability, quick risk analysis, and action. A delay in decision-making, which is considered less significant as they want to get more information, will provide a negative impact on the operations of the organizations and their managers.

The most strategic decisions are made outside the process of formal planning and are formulated in a gradual, flexible, and intuitive manner. Besides, executive leaders set a strategy to reach general work goals and plans so that it is still possible to accept suggestions. The strategy is then perfected and becomes an agreement in the organization to be socialized and implemented in accordance with the situation and condition of each work unit. In [13], it mentions nine duties to be in a managerial position, as follows:

- a. **supervising:** working together with the subordinates to improve performances, analyze strengths and weaknesses, give training, develop skills, plan works, and establish work achievements;
- b. **planning and organizing:** formulating short-term plan; project implementation, budget plan; evaluating organizational structures; determining resources allocation and use; arranging short-term operation

goals based on long-term plans; and supporting and developing operation policies and procedures;

- c. **making decisions—decision forms:** making a business decision with no doubt in an unstructured situation; provide deviation authority towards procedures of unusual cases or new conditions excluded in the rules/procedures;
- d. **monitoring indicators—monitoring forms:** internal strengths/weaknesses; external opportunities/threats; performance indicators; company's finances and properties; market conditions; economic, social, cultural, and political circumstances; security defense; and technology;
- e. **controlling—controlling forms:** work plans; budget plans; completion schedules of production/work along with goods and services distribution; productivity; goods and services quality; and operations effectiveness;
- f. **responding issues:** response forms towards issues: responding to complaints; communicating to advance relationship and cooperation; negotiating; promoting to build and maintain the image of universities and products; and developing and maintaining trust from all parties;
- g. **coordinating—coordination forms:** coordinating and communicating with other work units of the internal organization in which managers do not have direct control; fulfilling the set work plans related to other work units of the internal or external organizations; overcoming problems to achieve goals and performances; fostering work relationship with strategic partners; and resolving conflicts among important individuals due to the misunderstanding in executing the work;
- h. **consulting—consultation forms:** technological development in particular organization that influence universities activities and performances; introducing new technology and techniques; acting as an expert; acting as a consultant; and giving solutions of another party's problems; and
- i. **administrating—administration forms:** basic administrative activities; availability of information about the procedures and practices of work implementation; analyzing essential information for the organization; and arranging detailed (complete, accurate, secure, and easy-to-find administration, archive, and documentation).

In general, there are 10 manager roles to be applied in institution/organization:

- a. **formal leaders' roles:** managerial roles for a formal leader are by performing particular legal and social duties (signing letters, contracts/MOU, and official permits); leading the meeting and ceremonial events; and participating in ceremonies and rituals;
- b. **leaders' roles:** the roles as a leader include: being responsible for the functions of sub-units that are integrated to be a system to carry out the duties to reach organization goals; present guidelines to the subordinates; motivating the subordinates to make an achievement; and creating a conducive condition for the well-running duties;



- c. **connector:** the roles of a connector are establishing and maintaining network relationship with individuals or groups outside the managers work unit, either in the internal or external organization; the nature of the connector's roles (composing a new contract/MOU; giving assistance as a basic aspect to help each other if needed);
- d. **observer:** the roles as an observer constantly find information, such as reading reports and memos; attending a meeting and briefing; doing an observation; disseminating vertical and horizontal information; analyzing information to get business opportunities and threats; and conducting an information internalization that is considered significant;
- e. **disseminator:** the roles as a disseminator included: developing and maintaining special access towards information sources inside or outside the organization; and forwarding vertical or horizontal information that is considered necessary;
- f. **spokesperson:** the roles as a spokesperson are formulating important information to be delivered; delivering a statement about information values to parties outside the work unit of the internal and external organizations; following the procedures (middle-level and lower-level managers should report to their leaders; chief executives should report to their leaders or the owners); lobbying when dealing with the leaders and outside parties; and mastering actual knowledge regarding organization and its environment;
- g. **entrepreneur:** the roles as an entrepreneur are as follows: initiating and designing changes; utilizing opportunities for the importance of business that supports organization; developing new products; developing new equipment; re-organizing formal structures; supervising the changes and improvements; and delegating to the subordinates as in line with their ability;
- h. **person who addresses problems:** handling unexpected and sudden crisis, for instance: conflicts among the subordinates; losing a good and potential subordinate; fire/accidents; natural disasters; riots; strikes; and subordinate apathy (hopeless);
- i. **Allocator of resources:** the roles as a resource allocator are allocating money, personnel, materials, equipment, facilities, and services; and controlling developing controlling strategies, coordinating resources activities, and integrating strategic achievements of the resource; and
- j. **negotiator:** the roles as a negotiator are as follows: making a commitment; involving in several negotiations (contract between organization's employees and management); subordinates demand; contract with customers and suppliers; giving special/important works to a good and potential staff; and other ad hoc negotiations.

## 5. Entrepreneurial leadership

The dynamics of businesses/industries lately have an impact on the strategic behaviors of organization leaders, including university leaders. Uncertainty and rapidity of changes in science and technology affect the behavior changes of



businessman, CEOs of business and industry. Around the year of 2000, the concept of entrepreneurial leaders emerges because of the increase of business dynamics—which then comes up as an identification of entrepreneurial personalities and characteristics, followed by entrepreneurial education; then, contemporary works on entrepreneurial motivation arise. A new leadership type is required, i.e., business leadership to encounter the increased competitiveness and uncertainty in this dynamic market [1]. Such a type of leadership is “entrepreneurial leaders.” Does entrepreneurial leadership exist?

In [14], it defines entrepreneurial leadership as an ability to take risks, have innovations, focus on duties, bear personal responsibilities, and have economic orientations; this presents the initial definition of entrepreneurial leadership. He argues that leadership quality is more than just being an administrator or manager. As such, this implies that leaders regulate the company with energy, confidence, persistence, and learning ability. In era before digital, the interesting question about entrepreneurial leadership as a new paradigm. People in this era of intense competition correlate entrepreneurs with leadership functions, i.e., should provide visions to develop products, services, and new organizations. A leader should also be entrepreneurial; they also opine that entrepreneurial leadership is associated with concept and idea, and it is frequently related to nonorganizational issues. Conversely, entrepreneurial leadership tends to have characteristics, e.g., tending to be individual-behaved, visionary, problem-solver, decision-maker, risk-taker, and strategic initiative-taker.

In [15], the concept of entrepreneurial leadership is clarified and the empirical measure of significant factors to build up entrepreneurial leadership is developed. Here are the definitions of entrepreneurial leadership that have several characteristics: creating visionary scenarios; motivating and playing the cast of characters for discovery; and exploitation of strategic values creation in an organizational environment. Entrepreneurial leaders can learn and develop knowledge, and in [16], it is believed that “the ability to develop, share, and improve knowledge will replace asset ownership and control as the main source of competitive excellence.” Entrepreneurial leaders can increase their knowledge and promptly share it with their organizations. Fast learning and its sharing enable the entrepreneurial leaders and their organizations to get better quality than other organizations. In [1], the entrepreneurial leaders should always cope with a sudden change as well as understand that the dynamic market condition requires them to move beyond the increase that provides the value added (*incremental*). In the dynamic market, entrepreneurial changes need a real-time knowledge generation and strategic experiments, facilitating all organizations to identify opportunities and create a momentum to manage those opportunities. Entrepreneurial leaders understand the implication of resources and competences. A strategic implementation in a competition demands the entrepreneurial leaders to develop a unique combination between resources and competencies/abilities, which are defined as the main competence that creates competitive excellence in the market. In [16], it is also noted that leader’s ability to develop and exploit their “main competence” will give significant results for the success level of the company.

According to [17], entrepreneurial leadership competencies are defined a special leadership ability required to successfully leading competitive and challenging activities, vital things that show up in the success of entrepreneurial activities, either in a new business or organization. Nevertheless, in [18], there is not a sufficient information about the process of entrepreneurial learning and where people learn these entrepreneurial leadership competencies. Moreover, as explained in [19], it might hope that the process of entrepreneurial learning is improved by the availability of a role model (example), private network expansion and strengthening, and temporary internship.

On that ground, a clear description of “entrepreneurial leaders” refers to people who have an appropriate “entrepreneurial” approach and ability to keep oneself taking part in the development of a rapidly changing situation or market as well as to exploit opportunities to get benefits for the organization faster than others. The presentation of this concept introduction causes some organizations to try to develop concepts in the business area. In [20], it specifically indicates entrepreneurial leadership as an entrepreneurship research field that is ignored, and in [21], it identifies a missing link in traditional entrepreneurship education, which makes it not conducive to leadership learning. In learning contemporary entrepreneurship, the recurring concept is that “entrepreneurship is interdisciplinary.” The world is now experiencing an entrepreneurial revolution, which is more intense than an industrial revolution in the twentieth century.

The concept of leadership in entrepreneurship is a combination of two words: leadership and entrepreneurship. Therefore, one can contextualize that leadership in entrepreneurship involves gist in both concepts. In [22], it brings up the facts that entrepreneurship is a process of creating something different from others through:

- time use;
- provision of financial capital and risk along with psychological and social risks;
- compensation receipt;
- satisfaction; and
- personal freedom.

In this case, entrepreneurship is related to the invention or creation of new ideas that are different from others. An entrepreneur should have the characteristics of confidence, results-oriented, risk-taking, leadership, originality, and future-oriented [23]. By referring to the definitions of entrepreneurship and the characteristics of an entrepreneur, entrepreneurship is a process of inventing or creating new products/services, indicated by the behavior of willing to make time, providing financial capital or risk and psychological/social risks, receiving compensation, and having the satisfaction and personal freedom.

Leadership is generally an ability to mobilize, harmonize, activate groups, and deliver ideas to make other people understand, acknowledge, and follow him as a leader. In [24], leadership qualities include being intelligent, sociable, confident, truthful, trustworthy and responsible, persistent, good at expressing thoughts, and having high moral standards. In [25], the leadership refers to the process of the collective briefing that is impactful on mutual willingness to carry out the desired business to achieve the common goals. Furthermore, in [26], the indicators of entrepreneurial leadership are the high ability to motivate, the ability to influence other people, set direction, have a good communication skill, develop changes, address strategic resources, encourage people to be competitive, and good at finding opportunities. Entrepreneurial leadership is leadership characters that are strongly correlated with once concepts and ideas in driving his business to arrive at optimal results (profits). Those concepts and ideas include visions and missions, decision-making, applied strategies, and the like. Leadership characters in entrepreneurship raise inspiration and motivation for employees and business partners to gain business opportunities, in addition to the managerial direction that becomes their competencies to be a role model in entrepreneurship civilization. Thus, each business

unit requires leadership in entrepreneurship. This condition often emerges issues in strict competition along with rapid communication and information technology advancement. Many company units are collapsed lately.

In [27], it is argued that entrepreneurial leadership is one's ability in the process of collective briefing that has an effect on mutual willingness to always invent or create new ideas by giving motivation to be oriented towards the future to look for opportunities, developing changes, directing to be results/achievements-oriented, taking risks, and being persistent. This indicates that entrepreneurial leadership and creativity are variables that cannot be ignored as the dominant factors to predict the level of innovative behavior of product producers in a company. By referring in [28], the innovative behavior of product/service producers has become a fundamental aspect to realize an optimal performance achievement in business activities. This is because such behavior plays a crucial role in improving their product competitiveness as well as encouraging them to do more different things, even within limitations. Hence, the innovative behavior of product producers will try to use their limitations by optimizing new ideas to create new, different, more useful, and more valuable products/services. The results of those study provide further implications that human resources (employees) who are innovative and responsive to the advancement of science and technology must be prepared earlier through educational institutions/schools (early childhood education/kindergarten, elementary schools, junior and senior high schools, and universities). These institutions play a strategic role and cannot be set aside in forming and preparing innovative and responsive behavior of the young generation towards the advancement of science and technology through the character development of entrepreneurial leadership and creativity in the curriculum (hidden curriculum) and noncurriculum (extra-curricular).

In [29], higher education institution plays a crucial role and is very potential to educate and prepare the next generation of entrepreneurs leadership in a country, and the key to the success of entrepreneurship leadership development among students (young generation) is that the higher education institution should do the following things:

1. encouraging students to take active and independence activities, by having a hand on experience in entrepreneurship, such as establishing a business while studying through start-up capital program facilitated by higher education institution/university;
2. facilitating them to have an internship in companies that partners with the university; and
3. business mentoring by various entrepreneurs facilitated by university through seminars, workshops, focus group discussion (FGD), etc.

## **6. Competitive advantage leadership**

Competitive advantage leadership is leadership that has managerial and entrepreneurial abilities supported by human capital (**Figure 1**). The foundations of leadership that must be possessed are:

- a. move the organization and its job descriptions effectively;
- b. able to analyze tasks and operational details;

- c. carry out tasks openly and responsibly;
- d. mastering facility management so to be able to provide organizational operational facilities effectively and efficiently;
- e. ability to make appropriate decisions by anticipating the impact of decisions on the performance of the organization and its members;
- f. always empower the organization and its personnel and carry out continuous monitoring; and
- g. always provide coaching and counseling to his subordinates.

These basic leadership abilities must be followed by managerial and entrepreneurial abilities, while the managerial abilities that must be possessed are: supervising; planning; organizing; making-decision; monitoring indicator; controlling; response issues; coordinating; consulting; and administrating. While the entrepreneurial abilities that must be possessed are:

- a. having strong concepts and ideas, and able to move business effectively and efficiently;
- b. having a vision and mission that is supported by the ability to make appropriate decisions and ability to implement the outlined strategy;

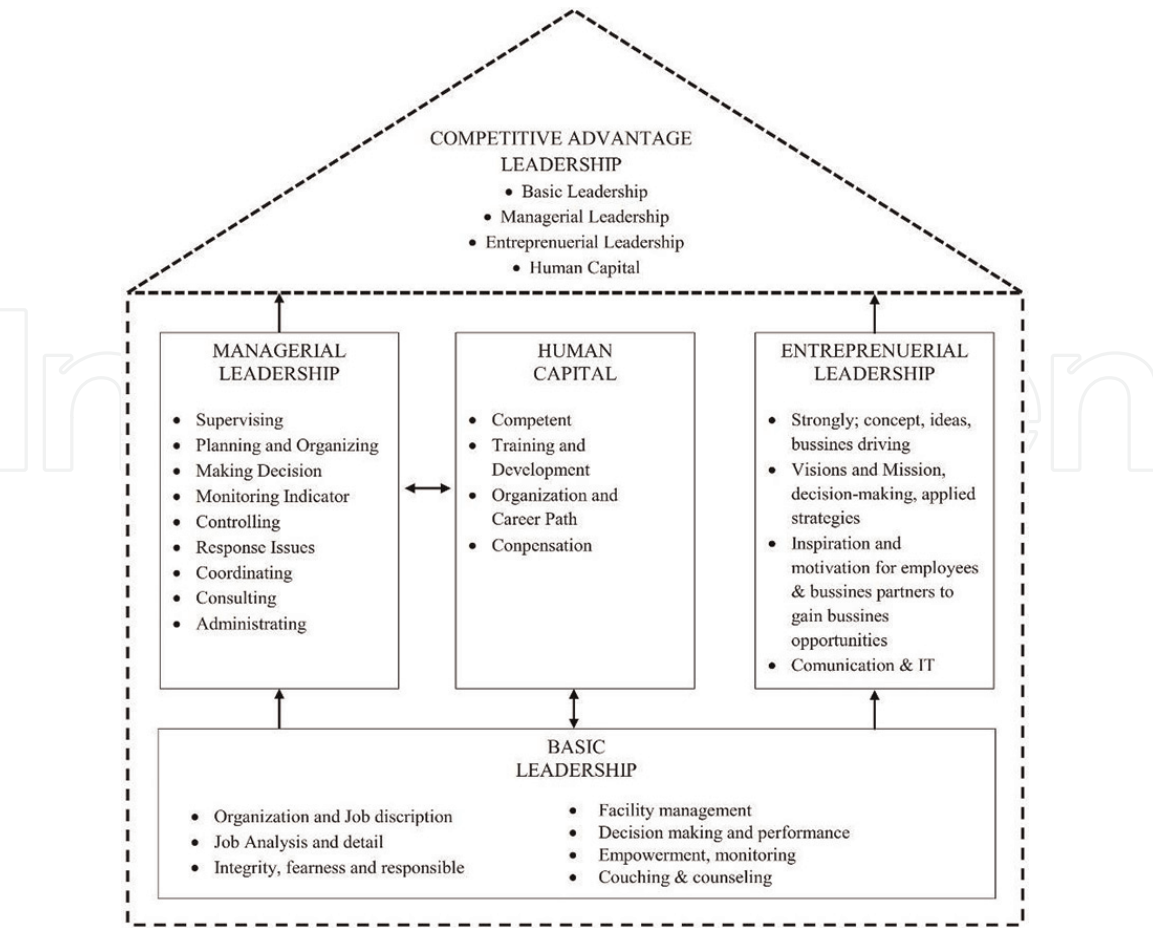


Figure 1.  
Competitive advantage leadership architecture (by Soehari TD, 2019).



- c. having the ability to inspire and motivate employees and business partners to obtain opportunities and, at the same time, utilize these business opportunities to achieve business goals; and
- d. the ability to communicate and use IT to support business operations.

The important factors of human capital are:

- a. competence;
- b. training and development;
- c. organization and career path; and
- d. compensation.

Four important factors of human capital are used to support basic leadership, managerial leadership, and entrepreneurial leadership so as to create business competitive advantage.

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