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What it takes to become an entrepreneurial leader?

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Abstract

Entrepreneurship is seen as the answer to cope in the world of uncertainty, where rapid changes, growing global competition and unpredictable future require new ways of thinking and doing business. Also larger organizations need to become more entrepreneurial in order to enhance their performance, their ability for adaptation, and long-term survival.

This study was conducted as a part of the Entrepreneurship Exchange -program. The aim was to understand what is *entrepreneurial leadership* and how it can be developed during the EEX program, where high-potential leaders from large corporations are deployed into startup companies as advisors, to help entrepreneurs and to learn about entrepreneurship.

The research questions addressed participants' expectations, changes in perceptions of entrepreneurship and leadership, and critical experiences during the program. The data consist of literature review and eight deeper reflective interviews. Methodologically critical incident – technique was used to unearth participants' key experiences and learning.

The results indicate that participants were well-motivated, and their understanding of entrepreneurship and startup life was deepened. Though it was not possible to identify learning outcomes in terms of particular skills, four strong themes arose from the interview data: working with limited resources, finding vision and direction in startup context – importance of practical strategy; the ambiguity of the advisory board work; and supporting entrepreneurs' leadership development. In addition, an emerging framework of entrepreneurial leadership is introduced.

As a conclusion it is suggested that it is possible to develop entrepreneurial leaders and this should enhance future possibilities for cooperation especially between large corporations and startups.

Keywords entrepreneurship, leadership development, learning, critical incidents

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Tiivistelmä

Yrittäjyys nähdään mahdollisuutena selviytyä maailmassa, jossa epävarmuus, nopeat muutokset, kasvava globaali kilpailu ja arvaamaton tulevaisuus edellyttävät uutta ajattelua ja uusia menetelmiä liiketoiminnassa. Myös suuremmat organisaatiot tarvitsevat yrittäjämäistä asennetta parantaakseen suorituskykyään, kykyään sopeutua nopeammin sekä selviytyäkseen pitkällä aikavälillä.

Tämä tutkimus tehtiin osana Entrepreneurship Exchange -ohjelmaa. Työn tavoitteena oli ymmärtää, mitä *yrittäjämäinen johtajuus* on ja miten sitä voidaan kehittää EEX-ohjelmassa. Kyseissä ohjelmassa suuryritysten johtajat tukevat startup-yrityksiä neuvonantajina, auttavat yrittäjiä ja samalla oppivat itse yrittäjyydestä ja startup-maailmasta.

Tutkimuskysymykset käsittelivät osallistujien odotuksia, sitä miten käsitykset yrittäjyydestä ja johtajuudesta muuttuivat, sekä osallistujien keskeisiä kokemuksia ohjelman aikana. Työn aineisto koostui kirjallisuuskatsauksesta ja kahdeksasta reflektiivisestä haastattelusta, joissa tutkimismetodina käytettiin kriittisen tapahtuman -tekniikkaa syventämään ymmärrystä osallistujien keskeisistä kokemuksista ja kehittämisestä.

Tulokset osoittavat, että osallistujat olivat lähtökohtaisesti hyvin motivoituneita, ja ohjelman aikana ymmärrys yrittäjyydestä ja startup-maailmasta syventyi. Vaikka ei ollut mahdollista tunnistaa yksittäisten taitojen oppimista, neljä vahvaa oppimisen teemaa ja mahdollisuutta nousivat haastatteluaineistosta seuraavasti: työskentely rajallisten resurssien vallitessa, startupin suunnan ja vision määrittely – käytännön strategiatyö, advisory board työskentelyn haastava moniulotteisuus sekä yrittäjien johtajuuden kehittämisen tukeminen. Tämän lisäksi esitellään yrittäjämäisen johtajuuden viitekehys.

Täten yrittäjämäisen johtajuuden kehittäminen on mahdollista ja sen myötä avautuneet mahdollisuudet uudenlaiseen yhteistyöhön erityisesti suurten ja startup -yritysten välillä.

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Now it is time for new adventures.

Helsinki, May 2016

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Introduction

1.1 Entrepreneurial leadership interest

Entrepreneurial leadership is relatively new trend in leadership studies, and during the 21st century it has become increasingly interesting among many researchers (Kuratko 2007, Greenberg, McKone-Sweet et al. 2011, Johnson 2001, Karol 2015). It is a fact that our world has undergone great changes both in economy and technology since the millennium. These changes and unpredictable future requires new ways of thinking and doing business. The characteristics of entrepreneurial activity, which have been factors of success in entrepreneurial firms and small companies are now considered to be vital also for large international corporations (Fernald Jr, Solomon et al. 2005).

In the future organization's characteristics should reflect entrepreneurial mindset. According to some research of entrepreneurial behavior in establish firms (also known as corporate venturing, intrapreneurship or corporate entrepreneurship) is linked to superior performance (Zahra, Covin 1995) and that this superior performance is sustainable (Wiklund 2006) Hence, several scholars suggest that organizations must become more entrepreneurial in order to enhance their performance, their capacity for adaptation, and long-term survival (Gupta, MacMillan et al. 2004). This transformation includes e.g. organization's strategic renewal, seeking new opportunities and expanding the scope of operations to new business areas (Turner, Pennington III 2015, Gupta, MacMillan et al. 2004).

Throughout this thesis project I have had an open and genuine interest to understand, how more entrepreneurial thinking and action can be added to our organizations – because that is obviously needed. As a devoted leadership and organizational development student, I highlight the roles of leaders in every adjustment and change in organizations. Thus, it is easy for me to agree on Middlebrooks' words (2015 p. 27)

“...leaders want to be like entrepreneurs—displaying a distinctive set of knowledge, skills, and dispositions that maximize innovation, continuous energy and improvement, seeing and pursuing opportunity, and many others that would be highly desirable in a leader in any field or context.”

1.2 Context of the study

This thesis was conducted as a part of Entrepreneurship Exchange (EEX) – program, which is a new form of collaboration between startups and large corporations. At the time of this study, the program was arranged second time. The idea in EEX program was to bring large corporations’ key talent leaders together with startup entrepreneurs. Hence, the main goal of EEX is two folded, first, help and accelerate startups growth providing high talented advisors and their knowledge to startups’ use, and second, to develop leaders with more entrepreneurial mindset. This form of collaboration is new, unique and important. As far as I know it was also first and one of its kind in the world.

Corporate employees and startup entrepreneurs worked together in units called Advisory Boards (AB) (see Figure 1.). One AB included entrepreneur(s) of one startup and 3 to 5 corporate employees of different corporations. Hence, advisory board members did not know each other in advance. During the program (from August 2015 to June 2016), advisory boards met typically once every month and one meeting took approximately 2-3 hours. AB members committed to advise and work on startup’s strategy, business plan and everything that startup’s present situation required, together with the entrepreneurs.

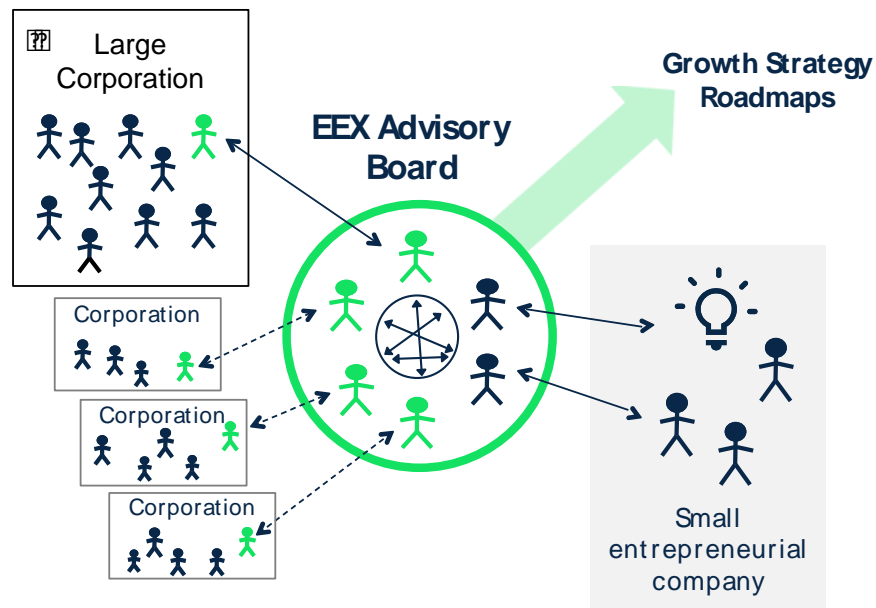


Figure 1. Forming of advisory boards in EEX program. *Copyright EEX Oy.*

As this kind of initial setting the EEX program provided a unique opportunity to all participants to develop themselves personally as well as their knowledge in business and strategy.

Furthermore, the EEX also provided numerous interesting research possibilities from different perspectives and made it as a challenging task to choose the research topic for this thesis.

1.3 Research problem and objectives

Since EEX was new and unique program, there were no previous research available. Hence, in the beginning the priority was in understanding the “EEX phenomenon” – what kind of experience it is and how it helps to develop the participants.

In this thesis the focus is on corporate employees and how they experienced the EEX program. Hence, the research target chosen for this study represents leaders, managers and directors who self-selected to take part on the EEX program and wanted to learn more about entrepreneurship and startup business and in this way improve their leadership skills.

The purpose of this research was to understand what is entrepreneurial leadership and how it can be develop or learned in the first hand advisory work during the EEX program. Corporate employees, who were already experienced leaders, were exposed to entrepreneurship – step by step this resulted the idea to study entrepreneurial leadership.

To this end, the following research questions were formed:

- 1) What are the expectations and motivations of corporate employees to participate in EEX program?*
- 2) How the corporate employees perceive entrepreneurship and leadership and have those perceptions changed during the program?*
- 3) What are the critical experiences and/or situations, where corporate employees' entrepreneurial mind-set has develop/improved?*

In this thesis, contributing literature was used to create the theoretical background of the study and answer to the questions, what is entrepreneurial leadership and how it can be learned. The empirical part of this thesis is created around the research questions. The data was collected by interviewing the corporate employees and altogether, eight interviews - one corporate employee from every advisory board were interviewed.

1.4 Structure of the thesis

This thesis starts with providing theoretical background for the study. First important definitions are introduced and the development of entrepreneurial leadership is considered from the perspective of entrepreneurship as well as from the perspective of leadership. Next, some important factors and attributes for entrepreneurial leader are examined in more detail. This continues with a brief outline of learning through critical incidents and reflection. Finally, a framework of entrepreneurial leadership is proposed.

Chapters 3 and 4 form the empirical part of this thesis. Here the research method and design is elaborated more closely and the results are reported. Finally, the chapter 5 is about discussion and conclusions. Here, the results are discussed,

conclusions introduced and some suggestions are made for future research together with the recommendations to improve the EEX program in the future.

2 Theoretical background of the study

2.1 Development of entrepreneurial leadership

Entrepreneurial leadership, like the term reveals, has its roots in extensively studied fields of leadership and entrepreneurship. Entrepreneurial leadership is relatively new trend in leadership studies and it has interested scholars increasingly at 21th century (Covin, Slevin 1991, Fernald Jr, Solomon et al. 2005, Leitch, McMullan et al. 2013, Greenberg, McKone-Sweet et al. 2011, Kuratko 2007). While other researchers admit its relevance (Middlebrooks 2015, Greenberg, McKone-Sweet et al. 2011, Kuratko 2007) other claimed it is an oxymoron as an attempt to combine two contradictory terms (Fernald Jr, Solomon et al. 2005). Because both fields are full of different definitions, it is not a surprise that when putting these terms together there is no consensus on what entrepreneurial leadership means (Cogliser, Brigham 2004).

During their research history, leadership and entrepreneurship have both undergone a transition from studying personal traits and behavior to focusing more on what leaders and entrepreneurs actually do and how they interact with their environment (Cogliser, Brigham 2004, House, Aditya 1997). Typically, trait theories focus on attributes identifying leaders or entrepreneurs from those who are not. Traits are general personal characteristics, such as personality types, values, motives, and capabilities, which influence individual differences in behavior. Recently leadership research has focused more on the combination of individual and contextual factors and how these can explain the differences in effectiveness (Vecchio 2003).

This chapter provides literature review of entrepreneurial leadership and seeks to understand what are the relevant traits, attributes and dimensions related to a

successful entrepreneurial leader. First, important definitions are elaborated. Second, entrepreneurial leadership is considered from both the perspectives of entrepreneurship and leadership and, finally, frameworks and models of entrepreneurial leadership provided by recent literature are introduced.

2.1.1. Definitions

While studying through the contributing literature of the topic, I soon noticed that entrepreneurial leadership can also be called intrapreneurship or corporate entrepreneurship and even entrepreneurial leadership is equivocal depending on the context and perspective taken. All the terms have similarities - but are approached from slightly different point of views. Typically, leadership has been studied in entrepreneurial setting instead of studying entrepreneurship among corporate leaders. The latter is relatively new direction in leadership studies (Greenberg, McKone-Sweet et al. 2011). While there are two interesting questions considering entrepreneurial leadership – what are the implications if leaders act more like entrepreneurs and how entrepreneurs can become more effective leaders (Middlebrooks 2015) – this thesis seeks to study the first one.

Entrepreneurial leadership can illustrate the process, where startup entrepreneur(s) founds his company and eventually exists by selling or renouncing his company to another shareholder. One definition of startup is *“an organization formed to search for a repeatable and scalable business model”* (Blank 2010), and thus, startup is not just a small company, tiny version of large established business organization. Different phases of the startup cycle require different set of social skills, resource management and strategic thinking which entrepreneur needs to manage and lead (Vecchio 2003). Though, in this thesis the focus is not on entrepreneurs and their leadership skills but on ordinary managers and directors and how they can be more entrepreneurial in their everyday work.

Intrapreneurship on the other hand describes isolated entrepreneurship inside the organization, such as managing startup inside the larger organization. As an example at the current moment large IT company from Finland called Tieto Oyj has its own semi-independent startups inside the organization (Kauppalehti 2015).

It can be assumed that this is an increasing trend and there will be many other similar inner startups inside large companies and new flexible organization forms in the future. Normally these inner startups have their own lifecycle and the decision are made separated and not through regular management structure of the large organization – to imitate typical startup conditions. Although there have to be certain amount of guidance and interaction. (Antoncic, Hisrich 2003) For this need leaders with more entrepreneurial like mind-set can become an asset to the organization.

Corporate entrepreneurship is term used by e.g. Kuratko and Hornsby (2015) while Greenberg (2011), Middlebrooks (2015) and Solomon (2005) use the term entrepreneurial leadership. Corporate entrepreneurship has defined several ways and nowadays, it consists of two parts, which are “corporate venturing” and “strategic entrepreneurship”. Corporate venturing describes the adding of new businesses to the corporation, which can be reach by internal, cooperative or external corporate venturing. (Kuratko 2007) By contrast, corporate entrepreneurship strategy is defined as *“a vision-directed, organization wide reliance on entrepreneurial behavior that purposefully and continuously rejuvenates the organization and shapes the scope of its operations through the recognition and exploitation of entrepreneurial opportunity.”* (Ireland, Covin and Kuratko in Kuratko 2007, p.6) Like the definitions reveal, corporate entrepreneurship describes entrepreneurial behavior more on organizational level, while in this thesis the perspective is on individual level and hence, the term *entrepreneurial leadership* is used.

In general, these researchers and their teams focus on entrepreneurial activity, its necessities and implications in large organizations. In this thesis, the term entrepreneurial leadership is used to cover up both terms and describe leaders’ entrepreneurial activity in already established and somewhat stable corporations.

2.1.2. From the perspective of entrepreneurship

Until millennium the field of entrepreneurship suffered the lack of conceptual framework, which would have examined a set of empirical phenomena not explained or predicted by conceptual frameworks borrowed from other fields. In reality, the field was a jumble of studies related to small businesses and new ventures, and housed under a vast label of entrepreneurship (Shane, Venkataraman 2000). Since the pioneering publications of Shane and Venkataraman (2000, 2003) the research of entrepreneurship has become more popular (Wang 2014), yet before there was only a handful of theoretical articles published in major management journals (Busenitz 2003). However, the research field of entrepreneurship became more focused and stable in 2005 as resulted in systematic literature review on entrepreneurship research (2000-2012) by Wang and Jessup (2014).

In order to have entrepreneurship, first, entrepreneurial opportunity is required (Shane, Venkataraman 2000). Furthermore, the definition of entrepreneurship is often related to a context, such as a startup or small business owner, and in terms of actions taken in this context. These actions can be divided into two broad sections: endeavors to influence others and seeking new opportunities. Both of these sections are closely related to the established areas of leadership and interpersonal influence. In this light, it is easy to understand the debate whether or not entrepreneurship should be treated as independent field of study. (Vecchio 2003)

Entrepreneurial leadership arises from three different concepts, which are entrepreneurship (Schumpeter 1934), entrepreneurial orientation (Miller 1983, Covin, Slevin 1988) and entrepreneurial management (Stevenson 1983). Gupta et al. (2004) described this as a strategic approach to entrepreneurship in order to continuously seek and enhance the capabilities to create value in the organization. They argued that in this way entrepreneurial mind-set can form the basis of competitive advantage both in a small and large organizations.

There have been numerous attempts to develop entrepreneurial profiles (Vecchio 2003) and measure entrepreneurial orientation (Zimmerman 2014). The factors of successful entrepreneurship have interested scholars already several decades and the interest does not seem to diminish. It is not surprise, knowing that entrepreneurship has described as one of the engine of change and development in capitalist society (Shane, Venkataraman 2000).

Typically, entrepreneurship is related to taking actions, which quite often require a high risk-taking capability. Proactivity and innovativeness have also been connected to successful entrepreneurial behavior (Covin, Slevin 1991, Kuratko 2007). Commonly accepted and studied personal traits, which have been linked to successful entrepreneurs are so called entrepreneur's "big five": risk taking propensity, need for achievement, need for autonomy, self-efficacy and locus of control (Vecchio 2003). This big five have been used to identify and measure individual's entrepreneurial orientation (Zimmerman 2014). It can be argued whether these traits and behavioral attributes are characteristics of an individual or do these features need a more process-oriented approach and, for example, arise from the interaction of a team.

In the next chapter (2.2.), some of these traits and attributes which are critical to entrepreneurial activity among leaders are introduced in more detail.

2.1.3. From the perspective of leadership

Leadership is the most studied single domain in behavioral sciences (Hunt, Dodge 2001), and it can be traced back as far as to the ancient civilizations, where leaders had symbolic roles in literature (e.g. Bible and classics of Greece and Rome) (Bass 1997) (see also Sun Tzu). Although, it is not until the 20th century, when scholars have provided more systematic attention to research (Cogliser, Brigham 2004).

Leadership is no longer a study of personality traits and differences between individuals. Nowadays, in addition to leader, the field of leadership focuses also on followers, peers, supervisors, work setting/context, and culture, including a

much broader array of individuals representing the entire spectrum of diversity, public, private, and not-for-profit organizations, and increasingly over the past 20 years, samples of populations from nations around the globe. Hence, leadership is no longer defined as a person's characteristic or difference, but instead is represented in various models as dyadic, shared, relational, strategic, global, and complex social dynamics. (Avolio, Walumbwa et al. 2009, Tal, Gordon 2016, Bass 1997)

In the beginning, I soon realized that it is not possible to either find nor study all the contributing leadership literature due to the huge amount of it. In order to find the relevant studies and theories of leadership I started to ask myself questions – what are characteristics, processes and environments that support organization's flexibility, faster adaptation, ability to innovate and sustain individuals' curiosity towards new opportunities and learning, and also drive them to constantly improve their performance. In other words, what is needed to facilitate entrepreneurial behavior in organizations.

Several leadership theories have tried to answer this question. However, the relevant theories chosen carefully from the contributing literature were transformational leadership, team-oriented leadership, value-based leadership and self-leadership. (Gupta, MacMillan et al. 2004, Greenberg, McKone-Sweet et al. 2011). By adapting these four leadership theories together there is an enhanced possibility to understand this complex and dynamic field of entrepreneurial behavior and its requirements in establish organizations.

Transformational leadership has its focus on leaders and their abilities to be inspirational and elicit superior performance from followers through facilitation of their self-interested behavior by appealing to higher needs of self-actualizations, personal values and inclined motivations of followers (Gupta, MacMillan et al. 2004, Bass, Waldman et al. 1987). Transformational leadership is often described by using four dimensions, which are called the four I's (1) Idealized influence (attributes/behaviors), (2) Inspirational motivation, (3) Intellectual stimulation, and (4) Individual consideration. (Furtner, Baldegger et al. 2013) Thus,

commitment, involvement, motivation in deeper levels and employees' sense of making meaningful work are related to successful transformational leadership. These are also requirements for healthy and driven employees in any organization. It is worth noticing that even though transformational leadership is the most influential field of research, shared, complexity, and collective types of leadership are the approaches that have shown the next greatest intensity of research. (Tal, Gordon 2016)

Team-oriented leadership or shared leadership has gained a lot of attention in the 21st century. Successful global companies, such as Google, argue that one of the reasons of their success has been shared leadership to all team members (Hamel 2007). This has given team members both the chance to influence on their work and take responsibility of it, which have resulted committed employees with superior performance (Gupta, MacMillan et al. 2004, Hamel 2007). Today's organizations have experienced the demand of constant change and renewal and to overcome these demands commitment and responsibility are required for every team member. Thus team-oriented leadership is an established need in business life.

Value-based leadership elaborated by House and Aditya (1997) refers to leaders' ability to express and articulate a compelling vision or mission in an inspiring way. Same time leaders show high commitment, self-confidence both themselves and their beliefs and setting themselves as an example leaders attract followers. According to value-based theory leaders require to attain followers' motivation to achieve high expectations and improved performance without any extrinsic rewards. This theory reclaims its place especially in organizations where resources are limited and employees' motivation cannot be assured by extrinsic rewards.

Self-leadership was originally conceptualized in late 80's, which makes it relatively new trend in leadership studies. (Manz 1986) Self-leadership originates from the principles of self-regulation and self-management (Carver, Scheier 1981, Manz, Sims 1980 in Williams 1997), and furthermore, it *"incorporates intrinsic*

motivation, self-influence skill development and strategic oriented cognitions” (Pearce, Manz 2005) (p.133).

Self-leadership has been defined as *“the process of influencing oneself to establish the self-direction and self-motivation needed to perform”* (Neck et al. 1995, p. 281 in Williams 1997). Through self-leadership person takes responsibility of one’s performance and development, so it is easy to understand, that it has gained considerable attention among several scholars. (Craig L.Pearce 2007, Williams 1997, Furtner, Baldegger et al. 2013) Research has found that self-leadership has enhanced performance in several contexts, such as clinical, athletic, and educational, and in addition, in employment context self-leadership has improved performance, self-efficacy and satisfaction. (Williams 1997) Recently, self-leadership has positively connected to active leadership styles, such as transformational and transactional leadership, and negatively to passive leadership style. (Furtner, Baldegger et al. 2013)

Self-leadership is typically divided into three domains, which are behavioral, motivational and cognitional. Behavioral domain represents self-attentional processes that modify desired behavior for example by setting goals, rewarding, punishing, or observing oneself. Motivational domain includes those strategies, which help person to create and maintain one’s intrinsic motivation. (Furtner, Baldegger et al. 2013) Natural reward elements of work include e.g. feelings of competence, self-control, and purpose (Deci, Ryan 2014). The third domain is cognitional, which includes thought pattern strategies. Those can include for example visualizing successful performance, positive self-talk and evaluation of one’s beliefs and assumptions. In order to be an effective and productive individual/leader, these three domains need to work together smoothly. (Furtner, Baldegger et al. 2013)

2.1.4. Different frameworks and models of entrepreneurial leadership

Due to its novelty there is only a limited amount of empirical research on entrepreneurial leadership. The research is still at the early stage and based on my perception about the literature, the perspective has typically been either in entrepreneurship or in leadership.

McGrath and MacMillan (2000) emphasized the importance of an “entrepreneurial mind-set” as a key element in strategic decision making, especially in environments, where competition is constantly growing and fast changes are required. Entrepreneurial mind-set can be seen as a predecessor for entrepreneurial leadership and declared need for new ways to manage and lead (Gupta, MacMillan et al. 2004).

Studies trying to define entrepreneurial leadership have based on literature reviews identifying the overlapping characteristics of successful entrepreneurs and leaders (Fernald Jr, Solomon et al. 2005, Perren 2000). Solomon et al. (2005) conducted a study of similarities between successful leader and entrepreneurs. Based on their literature review they reported five features that were common for both entrepreneurs and leaders. These are: 1) strategic leadership (vision, long-term goals), 2) problem solving skills, 3) timely decision-making, 4) willingness to accept risks and 5) good negotiating skills. Three years earlier four common attributes of entrepreneurs and leaders were identified. These were vision, personal drive, innovativeness and risk acceptance. (Perren 2000)

Gupta et al. (2004, p.242) defined entrepreneurial leadership as “leadership that creates visionary scenarios that are used to assemble and mobilize a ‘supporting cast’ of participants, who become committed by the vision to the discovery and exploitation of strategic value creation.” Here they identified two fundamental needs – the creation of vision and the need of a committed team capable of enacting that vision. These two are interdependent since the either is useless without the other. Furthermore, entrepreneurial leader needs to be capable of

- 1) Adopt exceptional dedication and effort from organizational stakeholders
- 2) Convince them of their ability to achieve goals
- 3) Express essential organizational vision
- 4) Ensure their effort will lead to successful results and
- 5) Endure in the face of environmental change

As a part of the research focusing on future leadership skills and how those skills can be taught to students of management and leadership, Greenberg et al. (2011) developed a three dimensional model to describe more detailed what entrepreneurial leadership actually is. The three dimensions include, first cognitive ambidexterity, second responsibility and sustainability, and last self- and social awareness.

Cognitive ambidexterity represents, how entrepreneurial leaders are required to possess and manage both the logic of creation and prediction. These two logics become important, while making decisions. One can rely on the past and predict logically based on previous data and knowledge that what had happened before probably will happen again. On the other hand, if there is no data or knowledge available or the situation is totally new, one may need to rely on creativity and make decisions and take actions without the previous data and knowledge. Greenberg et al. (2011) argue that in ideal case entrepreneurial leader can utilize both ways while making decisions.

For future leaders it is necessity to understand that social, environmental and economic responsibility and sustainability are the foundations of successful business. This is challenging, while decreased amount of natural resourced, climate change and increased inequality in social and economic classes have been “hot topics” in debates especially in developed countries around the world.

In addition, entrepreneurial leaders want to develop their awareness of themselves as well as the social context around them in order to guide effective decision making and action. Greenberg et al. (2011 p.2) define entrepreneurial leadership accordingly:

“Entrepreneurial leaders are individuals who, through an understanding of themselves and the contexts in which they work, act on and shape opportunities that create value for their organizations, their stakeholders, and the wider society.”

Entrepreneurial leadership is not the same as entrepreneurship, which is typically seen as activity for new venture creation. Instead, compared to transformational leadership the model of Greenberg’s et al. is actually quite similar (Karol 2015). Thus it can be argued that the model of Greenberg’s introduces entrepreneurial leadership strongly from the perspective of leadership.

Instead, according to Kuratko (2007) to be able to better understand entrepreneurial leadership it might help to know theories of entrepreneurship. As the concept of entrepreneurship is interdisciplinary and as such several approaches can rich one’s understanding of it. Entrepreneurship has been often approached in three action-based dimensions, including proactivity, risk-taking and innovativeness. This distinction was first made by Covin and Slevin in 1991 to describe entrepreneurial orientation and since have been widely used in the study of entrepreneurship and later in entrepreneurial leadership, which many scholars have also called as corporate entrepreneurship. (Kuratko 2007, Covin, Slevin 1991, Kuratko, Hornsby et al. 2015).

According to Kuratko (2007) the 21st century leader understands the importance of entrepreneurial action with managers at any level to create sustainable competitive advantages as the foundation for profitable growth in organization. Furthermore, organizations, and hence its employees, are required to continuously seek new opportunities and innovate in terms of products, processes, technologies, different administrative routines, and structures. In addition, the ability to proactively compete in (global) markets is required in order to succeed in 21st century. Thus, the two important attributes of entrepreneurial leader are proactivity and the ability to innovate and seek new opportunities.

It is not a surprise that there is no explicit definition or model for entrepreneurial leadership – it has features and dimensions of both entrepreneurship and leadership. These features consider organizational life in a width scale from

several different perspectives. A successful entrepreneurial leader requires to take into account different approaches in decision-making as well as sustainability and responsibility from social, environmental and economic perspectives (Greenberg, McKone-Sweet et al. 2011). Entrepreneurial leadership is most of all interdisciplinary, complex, dynamic and highly context depended activity and a field of study.

2.2. Entrepreneurial leader – attributes, features e.g.

Like the previous chapter summarized, there is only few empirical studies conducted about entrepreneurial leadership. In addition, most of the models have emphasized either the perspective of entrepreneurship or leadership, instead of trying to combine these perspectives equally. Drawn from the previous chapter, the definitions and models introduced in recent literature and researcher's own conclusions, the most important attributes of entrepreneurial leader and entrepreneurial mind-set are elaborated here in more detailed.

2.2.1. Innovativeness

Organizations are required to innovate new products and services in order to sustain their competitiveness and market share at increasingly competitive field. Since, organizations need employees who are able to create new, think “outside the box “and take actions – not only planning or thinking of it.

The first image of innovation is often mythical – you probably can easily see an image of Einstein looking scientist and yelling “Heureka!” - in your mind. Something that happens only to individuals with exceptional skills, luck or genes (Greenberg, McKone-Sweet et al. 2011). In contrast to this mythical image, researchers believe that an innovation is often a result of passion and hard work, and it usually involves more than one individual to the process. Here the good news is, that an employee, a team or an organization can learn to be innovative!

Despite the debate and contradictions in innovation literature, most researcher agree that process innovation process consist of three broad set of activities 1)

recognizing an opportunity, 2) creating alternative options, and 3) selecting and refining options (Greenberg, McKone-Sweet et al. 2011).

Nowadays and especially in a work environment it is usually a team or group of people, who succeed to create something new instead of only one person (Greenberg, McKone-Sweet et al. 2011). According to Mumford et al. (2007) leaders need to possess certain abilities in order to support creative efforts in organizations. Abilities, such as sufficient technical expertise, creative thinking skills, social skills and defining a problem are introduced among others. Even though, leaders are only rarely the ones asked to work in generating ideas, they must be able to envision the consequences of the ideas generated by others. (Mumford, Hunter et al. 2007) Moreover, it is also important to acknowledge the role of knowledge sharing and organizational learning as this is where innovations emerge (Turner, Pennington III 2015, Mumford, Hunter et al. 2007), but it is not discussed here any further.

Entrepreneurs are often seen as innovators, creators and visionaries, who believe in themselves and take action despite the high risks (Cope, Watts 2000, Kuratko 2007, Kuratko, Hornsby et al. 2015). Thus innovativeness and the ability to facilitate and support it can be seen as an important feature for entrepreneurial leader as well to have in her/his tool bag.

2.2.2. Proactivity

Throughout the contributing literature, proactivity is seen as one of the key elements while describing entrepreneurship (Covin, Slevin 1991, Kuratko 2007), it has been connected to entrepreneurial success around the world (Kreiser, Marino et al. 2013) and other positive outcomes (Fuller, Marler 2009). Proactive behavior is self-driven, change-oriented, future-oriented and action-oriented and its aim is to influence one's environment or self (Björklund 2015).

“Proactivity involves challenging the current situation and working towards what ‘could be’.” (Strauss, Parker 2014) p. 2

Proactive behavior has been noticed as an important factor in innovation process (Frese, Fay 2001) and it is hard to imagine innovative behavior, which is not proactive at least in some level. However, not all proactive behavior is necessarily innovative (e.g. seeking feedback). (Unsworth, Parker 2003)

In organizations, such as startup business, proactive individuals are believed to contribute to the effectiveness in dynamic and uncertain environments. In dynamic and uncertain contexts employees are required to use their own initiative and actively influence on their environment, because it is rarely possible to anticipate and pre-specified in advance what is needed from the individual. (Griffin, Neal et al. 2007) However, proactivity does not necessarily contribute to positive end results and can be damaging for both individuals and organizations (Bolino, Valcea et al. 2010), and it is important for individuals to notice when and how being proactive is beneficial and wise (Chan 2006).

For entrepreneurial leader proactivity is not only the observable behavior but instead it is also a state of mind, or perhaps an attitude, which allows entrepreneurial leader to continuously seek feedback, to challenge oneself by questioning plans and actions, to discover new possibilities, to utilize network and to meet customers and sell.

2.2.3. Risk-taking

Risk-taking is one of the most typical attributes related to an entrepreneur and hence, it is also important function for entrepreneurial leader. Zimmerman (2014, p.292) described risk-taking as a form of “decision-making orientation toward accepting greater likelihood of loss in exchange for greater potential reward.”

Surprisingly, many studies have reported contradictory results whether or not there is a clear connection between risk-taking propensity and successful entrepreneurs. For example, scholars such Litzinger (1965), Brockhaus (1976) and Masters and Meier (1988) were not able to establish correlation between risk-taking and entrepreneurial orientation. On the other hand, differences were found

between entrepreneurs and managers (Carland III, Carland Jr et al. 1995) and between entrepreneurs and the larger population (Stewart, Watson et al. 1999). Thus, risk-taking propensity is not the difference between successful and unsuccessful entrepreneurs. (Brockhaus 1980)

The diversity of research results may be explained by studies conducted Palich and Bagby (1995) and Cooper, Woo and Dunkelberg (1988). Palich and Badgy reported that entrepreneurial “types” saw ambiguous business scenarios more positively and as opportunities unlike non-entrepreneurial types. Cooper, Woo and Dunkelberg findings from the lab studies predicate that individuals, who believe they are highly competent at decision-making recognize greater opportunities in a risky choice situation. Those who feel themselves not competent enough perceive threats and take fewer risks (Krueger, Dickson 1994). These results indicate that it is more the perception and attitude that entrepreneurs have towards the risky situations than the risk-taking propensity itself that matters.

Like the previous brief literature review showed, risk-taking propensity is used to define entrepreneurial leadership by several scholars (Kuratko 2007, Zimmerman 2014, Kuratko, Hornsby et al. 2015) and this attribute draws strongly from the perspective of entrepreneurship.

2.2.4. Vision and strategy

Vision is closely linked to both successful leadership and entrepreneurship. Even a new concept – strategic entrepreneurship – have recently emerged (Kuratko, Audretsch 2009). Both leaders and entrepreneurs need to share their or organizations’ vision in order to succeed and effectively reach on the targeted goal (Cogliser, Brigham 2004). Here lies a question – how to motivate and influence your employees, team and other shareholders effectively in a right way? It should be noted that this is not entirely about the skills of leaders or entrepreneurs, but as interactive social process also attributes of the responders should be considered (Vecchio 2003). However, in this thesis the perspective is subjective and thus the focus is on the attributes of leaders/entrepreneurs.

Vision, mission and the values of organizations are typically a part of strategic work. Mintzberg (1994 p. 114) described strategy making as *“a process intertwining with all that it takes to manage an organization”*. As is simplest strategy is determining, how to define and describe the right steps and actions in order to move towards one's or organization's vision. (Kuratko, Audretsch 2009) Normally in large organizations, a top management team, a board of directors or some other party are responsible for managing strategy and its development. While in startup's or small companies there is rarely a group of people responsible for creating a strategy. Instead more commonly that responsibility lies in the shoulders of an entrepreneur, an owner or a small group of people, and thus the attention given to strategy work may not be as explicit and formal as in large organizations.

Many practitioners and theorists have incorrectly assumed that strategic planning, strategic thinking, and strategy making have the same meaning. Strategic planning can be defined as programming, describing neatly what are the concrete steps in order to for example increase the market share 20 %. This is especially important due to effective communication for employees and their engagement to work towards the vision and shared goal. Otherwise the direction may easier be lost or unclear. In addition, it may help to inform different shareholders, such as financier and supplier, about the motives so that these different parties can help to achieve its plans. (Mintzberg 1994)

Strategic thinking *“synthesizes the intuition and creativity of an entrepreneur in to a vision for the future”* (Mintzberg 1994 in Kuratko et al. 2009) According to this definition strategic thinking can emerge from daily details, routines and occasional knowledge crumbs, which then can lead to more meaningful insights and ideas of alternative directions. In that sense the devil lies in the detail. As its whole *“strategy making is a complex process, which involves the most sophisticated, subtle, and, at times, subconscious elements of human thinking”*. (Mintzberg 1994)

While one requires entrepreneurial mindset in creating effective strategy in dynamic and uncertain environment (Kuratko, Audretsch 2009, Gupta, MacMillan

et al. 2004), one also requires leadership skills in order to communicate the desired direction and engage people to work towards it. These leadership skills can be seen emerging from transformational, team-based and value based leadership theories. Hence, from the perspective of entrepreneurial leadership vision and strategy are essentials to understand.

From the point of view of this thesis, it is important to notice that vision and strategy work are important to any organization, which desires success, but this thesis is not focusing on, how organizational strategy is developed. There are several scholars, who have studied the developing of organizational strategy and some excellent reviews have been published, which can provide more information from the topic. (see e.g. publications of H. Mintzberg and C. Markides)

2.2.5. Decision-making

How entrepreneurial leaders make decisions, what sort of a process it is and what are foundations of it, are interesting questions. In an environment where competition and change happen fast – the traditional approaches to strategy and decision making are inefficient compared to an entrepreneurial approach. (Bettis, Hitt 1995, Eisenhardt, Brown 1998)

As already elaborated briefly, Greenberg et al. introduced the term cognitive ambidexterity - two different approaches to decision-making, which includes prediction and creation logics. One can rely on the past and predict logically based on previous data and knowledge that what had happened before probably will happen again. On the other hand, if there is no data or knowledge available or the situation is totally new, one will need to rely on creativity and make decisions and take actions without the previous data and knowledge. They argue that a successful entrepreneurial leader needs both ways to think and decide while prediction logic is typically more common among regular management leaders (Greenberg, McKone-Sweet et al. 2011).

Three dimensions describing entrepreneurship in organizations are risk-taking, innovation and pro-activeness dimensions (Covin, Slevin 1991), which have been elaborated previously, affect and challenge decision-making. Gupta et al. (2004)

reminded the need of balance for effectiveness. While focusing on creating new innovations, one must pay attention to the possible risk and similar while proactive behavior may gain competitive advantage a collaboration may be required in order to enhance learning and faster commercialization of innovations.

Sustainability and responsibility in decision making is important yet challenging. Customers', consumers' and employees' perceptions on, how organization is handling their social and environmental responsibility can have a huge influence on its brand image (Greenberg, McKone-Sweet et al. 2011). In today's world this creates a foundation to successful business. Organizations must carefully and creatively pay attention what is the environmental and social footprint of its supply chains. It is typical that organizations have a set of values and guidelines describing, why the organization work the way it works. Obviously, the underlying values and culture affect decision-making as well, and hence entrepreneurial leader should be aware of those.

2.2.6. Building a team

Building a team is an important task of a leader. In the perspective entrepreneurial leadership, the leadership theories (transformational, team-oriented and value-based leadership) emphasized its importance. (Gupta, MacMillan et al. 2004) There are several scholars, who have studied the theories, features and processes of team building and its effectiveness in detail. However, here the most important features of team building from the perspective of entrepreneurial leader were try to identify.

When building an effective team, leaders are required to share power and responsibility with the team and thus, their role become more facilitative and the focus is on helping the teams to develop their self-management skills. Furthermore, this requires that leaders forget the guidance of day-to-day team operations, and instead try to facilitate team-oriented behavior, such as build team-work skills, facilitate tasks and acquire resources.(Rapp, Gilson et al. 2016)

Studies have shown that sharing the power and responsibility (cf. shared leadership) with the team have positive outcomes. These include e.g. increased productivity, work quality, customer satisfaction, process improvement, safety, and performance (Maynard, Gilson et al., 2012, Maynard, Mathieu, et al., 2012, Seibert, Wang, & Courtright, 2011 in Rapp, Gilson et al 2016). However, the results are variable, whether or not an external leader has positive effects to the team performance and its effectiveness. (Rapp, Gilson et al. 2016, Ammeter 2002, Pearce, Sims Jr 2002) On the other hand, too much self-management in teams can be a slippery road and lead to undesirable outcomes. (Barker 1993)

In today's organizations, teams are the functional units that build organizations' success.(Rapp, Gilson et al. 2016) It is impossible (at least for current technologies) to cover all the required roles, task and functions without the team, when organizations grow and business is scaled up. Hence, it is important to build a team, which works together towards the vision according to the strategy. (Gupta, MacMillan et al. 2004). Just like Selznick (1957) reminded "*strategies take on value only as committed people infuse them with energy*" (P. Selznick 1957 in Mintzberg 1994 p.109) According to value-based leadership, entrepreneurial leader build commitment towards the vision by affecting followers' values and underlying needs. In ideal case, the leader should attract the intrinsic motivation of the followers, and there should not be need for extrinsic rewards to increase the commitment. Leader needs to know, how to communicate capturing vision and by personal example build commitment and engage team members to work towards the vision.

On practical level, entrepreneurial leader needs to build a team and facilitate its team-oriented behavior and self-management. This also includes that team members are given a responsibility and thus, an opportunity to develop their skills together with their tasks and projects. By sharing tasks, responsibility and power with team members, entrepreneurial leader also takes care of herself and her coping.

2.2.7. Leading yourself and influencing others

It has been argued that without leading oneself, person is capable to lead any other person either. (Craig L.Pearce 2007) Day and Harrison (2007) stated that identity is the source of meaning, from which leaders operate. Accordingly, they argue, that focusing on leaders' identities, there are more possibilities to understand of more profound development than through efforts, which just focus on a set of tools or skills to be learned. Hence, the need to know and understand *who you are* is especially important for a leader, whether or not (s)he is entrepreneurial. It is also important to notice, that if (entrepreneurial) leaders are not competent to self-leaders, their capabilities to managing stress, pressures and furthermore influencing others effectively may vanish completely. (Craig L.Pearce 2007)

Typically, a leader serves as an example and role model for other employees. Hence, the leader has a unique opportunity to present honesty, integrity and ethics in all key decisions. (Kuratko 2007) On the other hand, this may mean that leader's behavior is under a tighter observation. (Binney, Wilke et al. 2005, Alvesson, Sveningsson 2003) Binney et al. (2005) argued, that leaders were more efficient, when they "bring themselves in as they are" instead of hiding behind some role. The ability to be present, listen and pay attention to one's followers and their concerns, were seen as important factors. Interestingly, Alvesson and Sveningsson (2003) found out, that the way leaders talk about leadership, was glorified, when in reality leading was done through mundane actions, such as discussing and listening.

Already Manz (1986) assimilated self-leadership to double-loop learning (see next chapter 2.3.1). When a person is capable of leading oneself, (s)he is also capable of developing and learning. This can be described as desirable attitude or mental mode to anyone, who wants to develop. This creates an opportunity for continuous improvement. While person is willing and capable to reflect her thought patterns, (s)he is also able to change them or improve them.

Self-leadership theory highlights the importance of knowing oneself, both weakness and strengths and building one's leadership on top of this base, being self-motivated to continuously learn and maintaining the attitude of "always a student".

2.3. Learning in entrepreneurial context

The purpose of EEX program is to provide a unique experience for its participants, offer new perspectives and different context as well as to give opportunities to learn from the experience and also from other participants. In order to understand how individuals create their new mental schemas and implement their new skills in practice we need to take a closer look what is learning. Even though learning is a widely used and common term, the contributing literature reminds both theorists and practitioners of the complexity of the learning phenomenon. Hence any discussion trying to define or describe learning unambiguously is somewhat futile. (Cope, Watts 2000)

In general, through learning one's behavior can change but learning can also be a cognitive change, meaning the altered way of thinking or understanding. Obviously, the latter complicates how learning can be observed or measured (Cope, Watts 2000). According to Huber (1991, p.89): *"An entity learns if, through its processing of information, the range of its potential behaviors is changed."* In the light of this ambiguity it is not surprising that evaluating learning programs and their results has been found challenging by researchers all over the world. Assessing the impact on participants' cognitive resources and skills is definitely difficult task (Lindh, Thorgren 2015, Angelides 2001).

This is also particularly challenging to anybody developing completely new program like the EEX, trying to understand what are the potential outcomes of the program. Fortunately, this problem worked as a catalyst for more systematic research into "what the program is about". It is assumed that the EEX program gives opportunities to its participants to learn "entrepreneurial mindset" via "out of the box" and "hands on" experience of startup entrepreneurship.

Next a brief theoretic framework for learning in entrepreneurial context is provided. First, the different levels of learning are introduced. Second, the definition of critical incident is elaborated as well as the meaning of critical incident and reflection in learning. Finally, conceptual framework for learning in entrepreneurial context is introduced.

2.3.1. Different levels of learning

Based on their phenomenological study of “natural” learning in managerial work, Burgoyne and Hodgson (1983) developed three levels of learning. Burgoyne’s and Hodgson learning level 1 is analogous to “single-loop learning” term created by Argyris and Schön (1978). These are described as assimilation of information which has immediate utility but no real long-term or developmental implications or information that enables routines or immediate tasks. In literature, this type of learning is referred to repetitive, rote, or surface learning (Cope, Watts 2000).

Level 2 learning associates assimilation of some information, knowledge or skill that is transferable from the present to a different situation. Here an individual “has changed his conception about particular aspects of his view of the world in general: the aspect being, however, situation...specific” (Burgoyne, Hodgson 1983). They claimed level 2 learning to be comparable to single-loop learning.

Level 3 learning is the deepest of the learning levels and can also be called as reflective learning and similar to Argyris’ and Schön’s “double-loop” learning. Through reflection individual not only question and scrutinize the established ways doing things but also those hidden values and perceptions which encourage this behavior (Cope, Watts 2000, Burgoyne, Hodgson 1983).

The difference between level 2 and 3 learning is that level 3 is not situation specific, instead level 3 learning tends to influence on much deeper level – considering learner’s self-awareness, vision and personal understanding. In order to achieve higher-level learning individuals are required to proactively reflect from previous experiences and evaluate the next possible actions – especially in entrepreneurial or managerial settings (Cope, Watts 2000).

It has been claimed that when individuals, previously inexperienced in the field of entrepreneurship, undergo critical events, they will not only learn from the event but also develop their ability to think and act more entrepreneurial way based on those events (Pittaway, Thorpe 2012, Cope, Watts 2000). It is assumed that the critical incidents happened during the EEX program contribute to level 2 and level 3 learning. Those incidents can be either personal – happened directly to the corporate employee or those can be indirect e.g. critical situations happened to startup entrepreneur, which corporate employee can perceive.

2.3.2. Definition for critical incident

Critical incident method has interested many scholars, who have applied it in different fields of studies. (Lindh, Thorgren 2015, Kaulio 2008, Chell, Pittaway 1998, Tripp 2011) It is not surprising that there are different definitions of what is actually a critical incident.

Originally, Flanagan (1954 p.327) defined critical incident as *“any observable human activity that is sufficiently complete in itself to permit inferences and predictions to be made about the person performing the act. To be critical, an incident must occur in a situation where the purpose or intent of the act seems fairly clear to the observer and where its consequences are sufficiently definite to leave little doubt concerning its effects”*. According to this definition, the criticality of the incident comes from its evidence and the responsibility, whether or not the incident is critical, lies on the researcher shoulder. (Angelides 2001)

Later, the importance of clarity of the critical incident for the observer has decreased. Instead, scholars, such as Angelides (2001) and Cope (2000), have started to pay attention to incidents that are not necessarily dramatic or obvious, but are somewhat important and meaningful for the person experiencing those. This means, that vast majority of critical incidents can be “normal” situations or events with somewhat surprising characteristics. (Angelides 2001)

Tripp (2011) described that first ‘critical’ events may appear as ‘typical’ and that their criticality is based on the justification, the significance, and the meaning given to them. These incidents do not necessarily bare an emotional loading or a

tension, instead they can happen in routine like every day work. What makes them critical is that they point out those significant underlying trends, motives or structures. It should be taken into account, that critical incidents are retrospective and can be identified only after the consequences of the incidents are known (Gray 2007). In this thesis the definition of critical incidents is similar to Tripp's (2011), thus taken into account also possible routine-like incidents, which are not necessarily obvious for the observer.

2.3.3. Reflection and critical incidents

Reflection refers to a process of meaning-making, which can be described as systematic, intentional and disciplined. This process moves learner from one experience to another, while deepening the understanding of its connections and relations to another experiences. (Lindh, Thorgren 2015) Reflection is fundamental for higher-level learning (Cope, Watts 2000, Pittaway, Thorpe 2012, Lindh, Thorgren 2015), and it is also linked to new insights and knowledge and cognitive development, such as enhanced information processing, conceptual schemes, and frames of reference (Argyris, Schön 1978). However, reflection requires a certain level of self-awareness, including awareness of one's emotions, thought and actions. (Lindh, Thorgren 2015) In this light it is obvious that learning to think more entrepreneurially or improving one's leadership skills requires ability to continuous reflection.

Critical incidents are connected to learning through a process of reflective analysis. Unexpected and somewhat surprising events can trigger the process of reflection and cognitive development, where individuals are force to move beyond tacit judgments, knowledge structures, and skills to deal openly with the situation at hand. (Argyris, Schön 1978) According to Tripp (2011) the creation of critical incident contains two stages: first the nature of the incident is noticed and described, for example through an interview. Second, the incident becomes critical, when it is connected to a wider context. Additionally, Lindh and Thorgren (2015) introduced an emerging concept of critical event recognition. They argue, that reflective learning does not start from the experience of critical events, rather

it begins from the recognitions of such events. This can be seen as an initial step for enacting the reflective process in which one's experiences are evaluated and connected to the learning process and future goals. Hence, it is not the incident or event itself that influences the development path, but the ability to recognize such events and incidents and further use the ability to reflect and connect those to a wider context.

2.3.4. Learning in entrepreneurial context

Learning in entrepreneurial context has interested several scholars and it has increased its popularity as a field of study especially during the last two decades. (Lindh, Thorgren 2015, Pittaway, Thorpe 2012, Cope, Watts 2000, Greenberg, McKone-Sweet et al. 2011) During his academic career, Jason Cope developed a conceptual framework for entrepreneurial learning (Pittaway, Thorpe 2012). In his research, he focused on reflective learning from critical incidents and mistakes (Cope, Watts 2000, Pittaway, Thorpe 2012).

It has been argued that unexpected events, which can stimulate the process of reflection and cognitive development can be identified as critical events. (Cope 2003) In addition, one is required to recognize these events as critical. This happens through reflection, which requires a certain level of self-awareness. As its simplest, the process is represented in the figure 2. However, this theoretic frame does not consider the effect of time in this context, which certainly has its effects on learning.

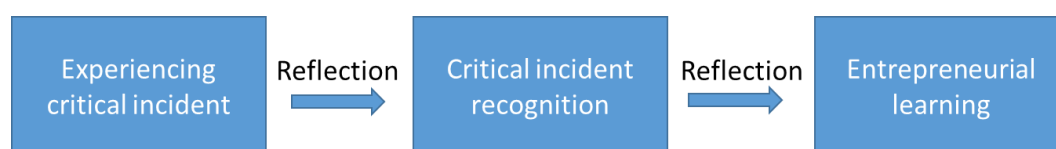


Figure 2. Reflective learning process in entrepreneurial context.

In this context entrepreneurial learning refers to overall entrepreneurial leadership and entrepreneurial mindset, which both can be categorized as

“higher-level learning”, because both require (proactive) reflection and can lead to possible changes in the level of self-awareness, vision and personal understanding. Entrepreneurial mindset can be seen as an ability to recognize opportunities and threats and to act on them quickly, even in an uncertain environment. (McGrath, MacMillan 2000) As Haynie et al. (2010 p. 217) argued, the entrepreneurial mindset builds on a foundation of cognitive adaptability, which they defined as “the ability to be dynamic, flexible, and self-regulating in one’s cognitions given dynamic and uncertain task”.

It is assumed that the EEX program provides for an entrepreneurial context to its participants to learn. When participants, who did not have previous experience from the field of entrepreneurship, are exposed to dynamic startup life, they face potential critical incidents. These experiences can be utilized to reflect and learn to think and act more entrepreneurial way in other contexts in the future.

2.4. Framework of the study

This chapter outlines a framework of this study. First, a framework of entrepreneurial leadership is given. In the second chapter 2.4.2. learning in entrepreneurial context is linked to entrepreneurial leadership providing the framework of the study.

2.4.1. What is entrepreneurial leadership?

Like the previous literature review shows, there are not explicit and comprehensive answer to the question, what is entrepreneurial leadership. Or what is really the difference between leadership and entrepreneurial leadership? The topic has been approached either strongly from the perspective of entrepreneurship or leadership, but there are not really too many attempts to combine these two. However, as a result of this literature review, and other supplementary material related to EEX program, the following emergent framework was originated during this thesis project (see figure 3) as an attempt to combine both the perspective of entrepreneurship and leadership equally.

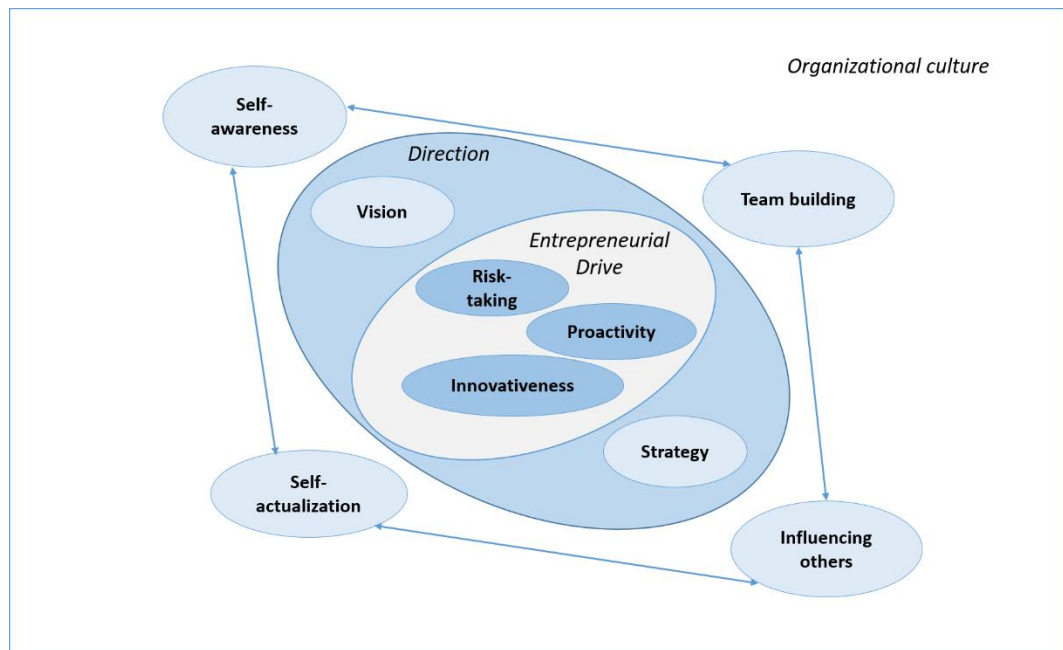


Figure 3. The emergent framework of entrepreneurial leadership

The first part is called entrepreneurial drive. Action is closely related to entrepreneurship and obviously, that is also required from entrepreneurial leader - walk the talk! However, the nature of action is strongly dynamic due to fast changing competition in many business areas. In my view this is also the main dimension and the most visible one, that separates “ordinary leadership” from entrepreneurial leadership. The three specified traits to describe the dynamic action required in today’s organizations are pro-activeness, risk-taking propensity and innovativeness. (see e.g. Covin and Slevin 1991)

The ability to take and control risks can be related to the questions, what would you do, if it was your own money, would you still invest and believe in the payback. This kind of thinking also requires certain level of commitment to individual’s organization.

Proactivity can be seen most clearly in a relation to sales and its functions. In ideal cases entrepreneurs and organization’s employees, who offer a service or a product, need to proactively approach possible clients and partners, and work the demand and market. Proactivity also entails being one step ahead of the market and already prepared, before the situation or environment forces one to react.

Innovativeness seems to be the hardest of these three actions, since it includes also pro-activity actions and a risk-taking ability, and it is required from every organization no matter the size. In startups innovativeness is especially shown in the way they approach and create products and services prioritizing the needs and wishes of customers. Based on this thesis project and what I have experienced and learned as a part of EEX program, organizations should focus on facilitation of innovation processes and especially encourage employees and managers to support other employee's innovativeness. (Peltonen 2016)

The second box in the above picture visualizes direction. In order to act effectively, organization requires a direction, a compass heading. The direction originates from the vision of organization and the strategy describes how to work towards that vision, which are the paths that one should follow. In addition, entrepreneurial leader need to be committed to this vision and (s)he also needs to communicate it clearly to other members of organization. Together the dynamic actions and the direction create the most visible and concrete part of entrepreneurial leadership, while the link between these two boxes action and direction is naturally decision-making.

The circle of four boxes describes the critical skills of leadership required for successful entrepreneurial leader. These skills help to pursue the vision, but also effect and create organizational culture. The beginning is good self-awareness. It is many times said, that leaders need to know themselves, what are the strengths and weaknesses, how to develop those and to act successfully on this basis. Good self-awareness is linked to self-actualization. While one knows, who (s)he is, where (s)he is good at and what is important to her/him, it is easier to find the matters, which create meaning and bring joy and enthusiasm to one's life and act accordingly. These two boxes are closely linked to autonomous motivation (Deci, Ryan 2014, Ryan, Deci 2000, Spreitzer, Porath 2014). However, this falls outside of the scope of this study, and thus is not elaborated more closely.

Every leader needs to have the ability to influence others in order to lead the employees and organization towards the common goal and vision. There are many

ways to do this and because human interaction is complicated, it is rather difficult to build a realistic and all-encompassing model of it. However, the influence is mostly interaction, as its simplest is listening and talking (Alvesson, Sveningsson 2003, Binney, Wilke et al. 2005). The way I see it, is that in an ideal case, where leader exhibits a good self-awareness and (s)he finds meaning and joy in her/his work, (s)he naturally starts to influence others by spreading her/his enthusiasm around.

Complexity of business requires almost always wide range of skills and competences, which is easiest to attain through heterogeneous group of people. Leader needs to acknowledge the special skill set, requirements and knowledge in order to pursue the vision and go to the right direction. Whether it is a startup or established organization, one person is not able to handle all of the functions and features needed in growing business, at least not for long. Therefore, leader is required to share her/his responsibility as well as her/his power with other team members. It is also notable that recruiting right people to the team is an important function itself, it cannot be taken for granted, and may often require particular expertise in this area.

The last box describes the context, which, the context can emerge from multiple backgrounds, but in this case is defined as organizational culture. The underlying values, routines and way of doing things have their roots in organizational culture. Naturally, this affects the leadership skills, vision and the entrepreneurial drive.

[2.4.2. Synthesis - learning entrepreneurial leadership](#)

Developing entrepreneurial leadership can be seen as a higher-level learning or double loop learning, where individual is required to pay attention to one's mental schemas, assumptions, beliefs, and cognitive skills and possible changes in those. This kind of higher-level learning requires proactive reflection and high level self-awareness, which is needed for one to be aware of her/his pattern of thoughts, which then gives possibilities to change, strengthen or even deleting these patterns of thoughts. (see e.g. Argyris & Schön 1978, Cope 2000, Pittaway & Thorpe 2012 and Lindh & Thorgren 2015)

Self-awareness is vital part of self-leadership. Self-leadership includes three dimensions, which are behavioral, motivational and cognitional. The cognitional part includes the thought pattern strategies, such as evaluation of one's beliefs, assumptions and thoughts. (see e.g. Manz 1986, Williams 1997 and Furtner et al. 2013). This creates a link between higher-level learning and leadership development. However, in order to rethink and questions one's pattern of thoughts a *trigger* is needed. These triggers can be surprising events, situations or experiences, which evoke the reflective learning process. In other words, these can be called critical incidents.

In this thesis through reflective interviews the critical incidents were tried to identify and discover, how these affected corporate employees' development and learning. In addition, the framework of entrepreneurial leadership, which was introduced in the previous chapter, was used to frame the interviews and the research process. The features and attributes represented earlier helped the researcher to structure the interviews, and to reflect the answers.

3 Research design and methods

The purpose of this study was to discover what is entrepreneurial leadership and how it can be learned during the EEX program. This study focused on the corporate employees, who had participated the EEX program. Moreover, three research questions were addressed to guide the research project. These were

- 1) What are the expectations and motivations of corporate employees to participate in EEX program?*
- 2) How the corporate employees perceive entrepreneurship and leadership and have those perceptions changed during the program?*
- 3) What are the critical experiences and/or situations, when corporate employees' entrepreneurial mind-set has develop/improved?*

Next, the methodology, used methods, data collection and its analysis are described in more detail.

3.1. Methodology

This study represents a qualitative research, in which the aim is to understand the complexity of the problem at hand and form a comprehensive overview of it. Due to the novelty of EEX program a qualitative approach to research was justified, as the meaning was to explore new phenomena and to capture individuals' thoughts, feelings, and understand their experience and possible development. (SAGE Publications 2008)

This study consists of two parts: first, the theoretical background of the study, and second, the empirical part, where the data was collected through semi-structured interviews. In interviews the critical incident technique was used as a method. In addition, some supplementary material was used to deepen the research's understanding of the phenomenon at hand.

Directly capture participants' experiences and reflection, the primary method to collect data were interviews. Interviews were also flexible and easy to organize with participants (King 2004). Eight corporate employees from different ABs, who

have participated in EEX program during 2015-2016, were interviewed. These eight interviews formed a cross section of the program participants. Every interviewee made its own case and thus, this study has some similarities to case-studies. However, contrary to case-study, these interviews were not analyzed separately.

To answer the research questions, the critical incident approach was used to discover the critical learning points during the program. In addition, the emergent framework of the study was used to reflect the interviewees responses and guide the research process.

Critical incident technique was first introduced by J. Flanagan in 1954. This qualitative research method was developed as a part of the studies made in the Aviation Psychology Program in United States during the World War II (Flanagan 1954). Since this technique has been widely used in numerous studies examined e.g. learning and entrepreneurship (Cope, Watts 2000, Chell, Pittaway 1998), leadership (Kaulio 2008) and healthcare (Kemppainen 2000).

In critical incident method, interviewees were asked to describe and reflect meaningful and critical events in detail. Either positively or negatively colored events, incidents, challenges and successes, which might have effected on interviewees perception about entrepreneurship, leadership and where learning might have taken place, were seen as interesting and crucial data for the purpose of this thesis. Critical incident technique provides a method to collect “first hand evidence of relationship between context and the outcome”. (Chell 2004) The unit of measurement were these critical and meaningful events in each of the cases, which were then analyzed, categorized and interpreted.

The approach is abductive, due to the iterative nature of this study,

3.2. Entrepreneurship Exchange program – description

Entrepreneurship Exchange program (EEX) was first of its kind in the world, as far as I know. The EEX program was based on a collaboration between startups and large corporation. The participants of EEX program included corporate employees

and startup entrepreneurs. The program's functional unit was Advisory Board (AB) and there were several of them. In the first pilot round (2014-2015) there were 6 and in the second round (2015-2016) there were eight different ABs. During 2015-2016 altogether 48 participants joined the EEX program including startup entrepreneurs and corporate employees. In one AB there were entrepreneur(s) of one startup and from 3 to 5 corporate employees from different organizations.

It is important to notice the nature of startup. It is not just a small version of large established organization, but more like a *"business search engine"* (Peltonen 2016), an organization, which is formed to seek a repeatable and scalable business model. Thus, it is easy to understand the dynamics and high-speed of the startup life.

One advisory board consisted of one startup's entrepreneur(s) and corporate employees, who each were working in different corporation. Hence, all members in ABs were unfamiliar with one another in advance. Corporate participants were first selected by their supervisor or HR-team in their organization, and after this, the joining to the EEX program was voluntary and thus self-imposed. Furthermore, the process of selecting and assigning participants to each advisory board was in the hands of the program leader and the CEO of EEX, Tapio Peltonen. There were many factors, that influenced in this process. For example, participants' experience and background, their expectations, startups' business fields and the needs of entrepreneurs. The main goal was to form versatile boards, that have members with different experience, backgrounds, and competencies, which could be useful to startups. In addition, possible competitive contradictions were tried to be avoided.

One round was ten-month long. The program started on August, with a kick-off event, where participants and the entrepreneurs met for the first time, received some general guidelines, and each advisory board started to work together by filling up a business model canvas based on their startup's business. During the year, participants were working to advice and help the startup and its entrepreneur(s) the best they knew and could. At the same time participants had

the chance to explore startup life in real and concrete way. In the middle off the program, in January or February, a Joint Event for all participants was held. There were presentations, group tasks and a chance to meet members from another advisory boards.

Typically, advisory boards met every month and one meeting took approximately 2,5 to 3 hours depending on how members structured their work. Some guidelines were given to support the AB work during the program. First of all, every meeting there should be a chairman and a secretary, selected from corporate employees. There was a chance to rotate the roles between AB members, if they wanted. It was instructed to start by filling the business model canvas during the first two sessions. The reason for this, was to familiarize members with the startups' business and start the advisory board work effectively. As general guidelines, Advisory Boards were instructed to set both long-term and short-term targets for their work, which they should update regularly, to give feedback frankly, and reflect their progress. In addition, it was recommended to arrange meeting(s) without the entrepreneur(s), to set tentative themes for the meetings, and to meet informally, outside the full-AB meetings.

Part of the EEX program was also Peer-to-Peer (P2P) -evaluation rounds, which were organized twice in the beginning and in end of the program. The evaluation was a web-based and somewhat similar to so called 360-degree survey, where every member in every advisory board was instructed to give feedback about one's AB members, including entrepreneur(s) and also review oneself. As a result, every member received a personal summary and their had the chance to compare their own evaluation to the feedback other members gave to them in that same advisory board.

Due to the novelty of the EEX program, it has been developed continuously. Participants and entrepreneurs had an important part as they provided feedback and suggestions for improvements throughout the program.

3.3. Data collection

This chapter describes, how the data was collected. First the supplementary material derived from the P2P-evaluation, the advisory board observations and the February Joint Event of all the participants and entrepreneurs of the EEX program are represented more closely. Later the interviews and the used critical incident technique is elaborated.

3.3.1. Supplementary material

I started working in EEX program in October 2015. I was hired to organize the first P2P-evaluation round for all EEX participants. This was a web-based and somewhat similar to so called 360-degree survey, where every member in every advisory board was instructed to give feedback about one's AB members, including entrepreneur(s) and also review oneself. As an example in one advisory board one member first reviewed her/himself and then gave feedback to all other members in that advisory board including entrepreneur(s). As a result, every member received a personal summary and they had the chance to compare their own evaluation with the feedback from their peers in their advisory board. In addition, I analyzed and interpreted the feedback and represented the results in a brief summary report, which was given to all participants.

As a part of the EEX program, I had the opportunity to participate few advisory board meetings between December 2015 and January 2016. In order to understand better of how members work in advisory boards, I observed three different AB meetings before the interviews. In these meetings my role was an observer, who made notes, and I did not participate the work of the board.

Furthermore, and also part of the program, in February 2016 a half-day Joint Event was organized for all participants and entrepreneurs. Mr. Petteri Nykky, who coached Finnish national floorball team (2004-2010), started the event with his presentation of how to build a championship winning national team from the top players of local teams. After this presentation, participants were divided to groups

of 3 to 5 persons, so that there were no same advisory board members in the same group. Every group had its own task, considering either 1) the role of AB – compared to that of the Board of Directors and that of Top Management Team, 2) strategy work and its differences between startups and corporation, or 3) the similarities and differences between corporate leader and startup entrepreneur as leaders. Groups represented their findings, which were followed by a spirited discussion.

I had a chance to participate the designing of the group tasks together with the EEX team. During the event my role was again mostly to observe and make notes, especially from the group tasks, of which the third one was closely related to this thesis. In addition, I challenged and supported the groups in their work by asking supportive questions.

Supplementary material from P2P-evaluation round, direct observations and participation in the Joint Event gave me insights and prepared me for the interviews and enabled discussions in a deeper level with the interviewees. First the P2P – evaluation round provided me with good overall impression of the mood and effectiveness of advisory boards and the participants, while the observations from the meetings enhanced my practical understanding and helped to make sense of the findings from the P2P evaluation.

Through these observations I realized that the ABs can vary a lot and also the entrepreneurs were different. Every startup created its own context with different challenges, which then affected on the way how AB works. Finally, the Joint Event “expanded my thinking” by providing different perspectives to examine the topic of entrepreneurial leadership and how the participants had experienced the EEX program until that moment.

The data collected from P2P-evaluation, AB observations or Joint Event, is not used to answer the actual research questions. However, it created prerequisite knowledge and understanding for the later data collection through interviews. Hence, it was important information for the whole thesis project.

3.3.2. Interviews - critical incident technique

Interviews were arranged during the February and March 2016, approximately in the middle of the EEX program, approximately six months after the beginning.

One interviewee was chosen from every advisory board so that they represent both genders and employees from different corporations. No one had previous experience working as an entrepreneur nor they had had training programs on entrepreneurship. Three of the interviewees had family member working as a small company entrepreneur. However, everyone had been in several different leadership and management trainings before the EEX program and they worked as a managerial position at least some years. Two of the eight interviewees did not have subordinates at the time they were interviewed.

Every interview was started by describing briefly this thesis project - its topic and aims to the interviewees. The critical incident -method and the importance of their own subjective experience, concrete examples and real situations were described. The atmosphere in interviews was relaxed and open, and it seemed that interviewees spoke freely without additional tensions. Instead of just question and answer -type of interviews, the discussions felt more like flowing conversations.

Interviews were retrospective, semi-structured and focused on the events that happened during the EEX program over the previous six months. Challenging, successful and/or otherwise emotionally loaded incidents were of particular interest. The language used in the interviews was Finnish and every interview was recorded, no notes were taken. The average length of one interview was approximately 80 minutes, all ranging from 71 minutes to 101 minutes.

The frame of the interviews is presented in the Appendix 1. The frame originated from several discussions between the researcher and supervisor, and was slightly iterated after the first interview. The purpose behind this frame of questions was to help the interviewees to find easier those meaningful and critical incidents. In

that sense situations related to decision-making, interaction, challenges and successes were seen as possible triggers to better remember the critical and important incidents. Due the semi-structured nature of the interviews, additional, follow-up questions were asked.

3.4. Data analysis

This section describes the data analysis of this research. This research is based on EEX program and within this program to its eight advisory boards and their members. The primary research data consists of eight interviews, which were conducted in the middle of EEX program, approximately six months after the start, in February and March 2016. All together eight corporate employee participants were interviewed, one participant from every advisory boards. For more detailed descriptions of interviews see chapter 3.3.1.

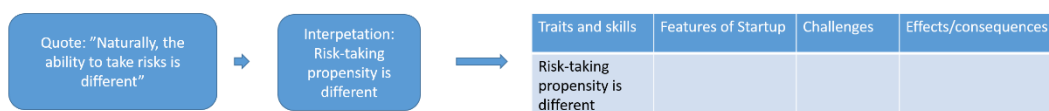
First the recorded interviews were transcribed (SAGE, Kowal et al. 2014). The actual analysis was started by getting familiar with the data. I red through the interviews and categorized the data in wide topics, which were expectations, challenges, successes and learning outcomes. (SAGE, Willig 2014) Using to this categorization I then wrote case descriptions of each participant's experience in EEX program (see. Appendix 2.) The point here, was to describe and capture the meaning of their experiences and development in more accessible way. The descriptions were sent to the interviewees to allow their reflections and for their comments, specifically asking for their comments on how the descriptions matched their experience. By this step of analysis, the first research question about participants' motives and expectations, was answered.

After writing the descriptions, the process continued with deeper content analysis in order to answer the latter research questions about the perceptions and critical experiences. Examples of the analyzing process are represented in the Figures 4 and 5. First, the important factors and attributes required of successful entrepreneur and running a successful startup were coded. There were all

together 271 codes, which were connected to entrepreneurship. This was followed by a process, in which the factors and descriptions of leadership and its requirements were coded. This resulted leadership 127 codes, which in some parts overlapped with the codes of entrepreneurship. While marking the code, a short interpretation was added.

Finally, important, surprising, confusing, frustrating or other way meaningful incidents and events were coded. This resulted all together 204 critical incidents. The coding of critical incidents was the most difficult part due the rich data set and required certain care. In order to distinguish critical incidents from the data, their marking was based on the subjective (e.g. interviewee used “I” instead of “we”) and reflective nature of the experiences, events and conclusions. In addition, those typically included some emotional loading e.g. *“sometimes it has been like, frustration on behalf of the entrepreneur, when the things are not going forward...”*. While marking the critical incidents, a short interpretation and comments were also added.

Analysis of the entrepreneurship - codes



Analysis of the leadership - codes

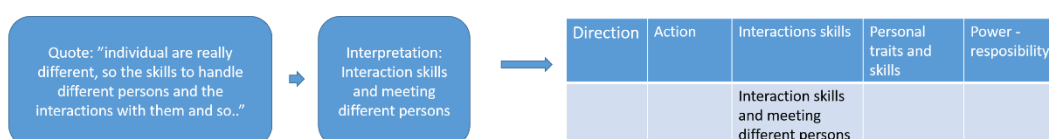


Figure 4. Analyzing processes of entrepreneurship and leadership – codes

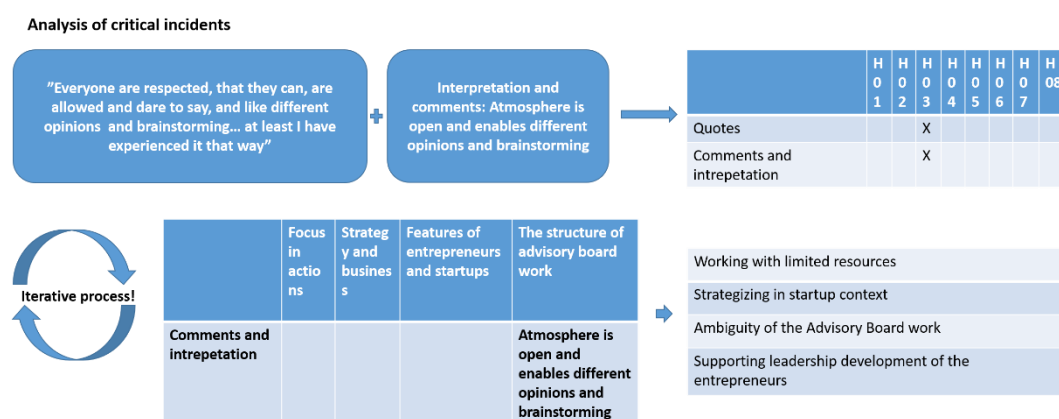


Figure 5. Analysis of critical incidents.

These were further categorized under wider themes, which arose from the data. Accordingly, entrepreneurship was classified under four themes, which were 1) personal traits, 2) features of startup, 3) challenges and 4) consequences. Leadership was classified under five themes, which were 1) vision, 2) action, 3) interaction and social communication, 4) personal traits and skills, and 5) power-responsibility. Critical incidents were categorized also in four themes. These were 1) focus in actions, 2) strategy and business, 3) features of entrepreneurs and startups and 4) the structure of advisory board. Through the categorizations the underlying connections between different themes, experiences and reflections started to emerge. The analysis was an iterative process.

Since the language of the interviews were Finnish, it seemed natural to use Finnish also in the transcriptions. Hence, the case descriptions and quotations used in the results chapter are translations of the researcher.

In the next chapter, the results based on this analysis are reported.

4 Results

The eight descriptions of interviews are represented in Appendix 2. They illustrate the participants' overall experience and the critical incidents they have experienced during the EEX program. To answer the research questions accordingly, the results are represented in the following categories:

- 1) motivations and expectations, which describes in more detail what were the expectations and motivations to join in the EEX program,
- 2) perceptions of entrepreneurship and leadership, which examines more closely, what were the perceptions of both and were there any changes in those, and
- 3) critical learning experiences, where the results are elaborated according to the critical incidents that the participants experienced and reflected.

4.1. Motivations and expectations of corporate employees

In order to understand the whole EEX process and its meaning to the participants, we need to consider the expectations and motivation, *why* people wanted to join in the program in the first place.

One of the main reasons why people wanted to participate to the program was their motivation to help, in this case the startups and to see if they have some valuable knowledge and skills that could boost the startup forward. This was interesting to find that people who have tight schedules and who work hard are still willing to use their time and energy to help and contribute in order to foster startup's business.

Another significant reason to join in the EEX program was curiosity. Since no one of the interviewed participants had an own experience from startup life before the program, they wanted to widen their point of view by learning what is startup life in practice. This is an important starting point for any kind of development or

learning process, as many learning theories also suggest. In addition, in some of the corporations it was already announced at the strategic level that they wanted to enhance co-work with startups. In these cases, participants hoped that EEX program would offer firsthand experience and knowledge of startup scene, which further would help them to build effective co-work possibilities.

As a result, all of the interviewees were from the beginning well-motivated and even excited about joining the EEX program. They wanted to help and experience the startup life more closely and more realistic. In addition, there was also willingness to learn and see, how participating the program can benefit their personal development. This can be considered as positive starting point for any kind of learning.

4.2. Perceptions of entrepreneurship and leadership

During the program participant's understanding of entrepreneurship deepened, got more concrete and their preconceptions strengthened. At the same time, it was more difficult for them to point out and reflect, how exactly their leadership skills developed.

In general, participants described successful startup entrepreneur as committed, hard-working, practical, relentless, passionate and responsible. (S)he has a good ability to take risks, handle pressures, sell and perform, and has courage to face uncertain and uncomfortable situations, a certain level of expertise and (s)he can make decisions and change the course of action very quickly, if necessary. The way participants talk about the entrepreneurs express also an appreciation of hard-work, courage and commitment that entrepreneurs have:

"In my opinion, you just cannot be a guy who gives up, like I mean at all, and a big respect for those, who will start that." (Case 5. MV)

"Dauntlessly throwing oneself into something you believe in, without knowing if you have money next week." (Case 3. PU)

In the heart of startup, there is very often something new and different e.g. product, service or solution, which is somehow unique, often innovative, and differs from other products, services or solutions on the market. The other business functions and required actions, such as logistics, finance, marketing, are then built around this heart. In addition, startups were seen as dynamic, they had the ability to be flexible and agile in their actions and decision-making. Participants understood the benefits of startup-like dynamic action and pointed out both lack of it and need for it also in large corporations.

"In big corporations, it should be more adaptively seen its parts and be able to create and enable different play rules...this kind of big corporation should also create possibilities to build this kind of small units, where ideas could faster change from another, course could quickly shift and so find the thing that might even work..." (Case 7. UH)

In order to enhance their business, the entrepreneurs needed proactively meet new customers and find solutions, which are innovative and customer-oriented. This way entrepreneurs are required to think outside the box and regularly cross the limits out of their comfort zone.

Our entrepreneurs... they just don't think whom there are talking to, or presenting their products whether it is a big chief of HR or whatever, they just go, talk, represent and are confident. (Case 2. JU)

"...in my opinion, above all, they go through a lot of customers' needs and that way start to develop those, I think is something to be admired of..." (Case 3. PU talking about innovations)

All participants connected entrepreneurship with pro-activeness, innovativeness and readiness to take risks. While pro-activity and innovativeness were seen more as typical actions and orientation of startups, risk-taking propensity was seen as individual's ability to handle pressure and "put it all in".

"...in my mind, it is linked, when your own home is mortgaged to the project, it describes pretty adequately the ability to take risks." (Case 8. ME)

Participants had many descriptions for leadership. This was not a surprise, considering their experience in managerial positions often for years. In general, leadership was seen as skills and competencies, which help to interact with subordinates and team members. In addition, leadership – interaction, actions and decisions is guided by the organization's vision.

According to participants, leadership is based on organizational culture and individuals' self-knowledge. They highlighted the importance of knowing yourself in order to interact and influence effectively to others. It is obvious that leadership is connected to the context and organizational culture, which also defines and shapes the processes and actions.

"All starts, in my point of view, from that you know yourself and what kind of person you are, and then you can turn that, into leadership, so that you can find your weaknesses and develop those and your strengths and utilized those." (Case 1. NI)

"However, everything is based on the culture of organization, whether it is a startup or bigger, stock-listed corporation." (Case 8. ME)

Many important features of leaders were mentioned. Leaders need to be able e.g. to create trustful atmosphere, facilitate and support employees and their actions, show commitment and presence, listen and pay attention to one's subordinates, and share power and responsibility. However, two most important features related to leadership were a vision and a team. Participants emphasized the importance of a vision and a skillful team, who works towards the vision together.

"...regarding to leader, (s)he has to be able to build right kind of team with right kind of expertise...which will work it forward..." (Case 3. PU)

"It is simple, everyone needs to understand where we are going... and it has to made crystal clear to all."

All interviewees had previous experience from managerial position and first, it seemed relatively difficult to point out how exactly they leadership skills had

developed, also noting that the kind of higher-level learning is a gradually process, which inevitably requires time.

” When you already have long career behind, so I think, that it [leaders’ further development] does not come overnight.” (Case 3. PU)

However, after a deeper analysis and research’s interpretation, the results indicate that leadership developed through enhanced strategic understanding, advisory board work and tutoring entrepreneurs as leaders. In the next chapter, these are elaborated more closely.

4.3. Critical learning experiences

It was difficult to point out that there are some exact learning outcomes that joining in EEX program resulted, however, after a deeper analysis four bigger areas of impact arose from the data. These were 1) working with limited resources, 2) strategizing in startup context, 3) ambiguity of the advisory board work and 4) supporting leadership development of the entrepreneurs. All these were considered as remarkable opportunities to learn. Next these themes are elaborated in more detail.

4.3.1. Working with limited resources

According the interviewees every startup faced one or more bigger challenges, which shaped their advisory board work. These were for example financial issues, pricing, internationalization, leadership issues and the lack of clear vision. Through these challenges participants had the chance to use their knowledge and their previous experience and in addition, to learn from other participants’ experiences.

These challenges highlighted and made concrete the resource limitations. Financial situation was a surprise, the startup’s life was more hectic than what was expected and the cash could run out in short time. Everyone experienced this somewhat surprising, even though they knew that the speed of startups is fast, it

was still a surprise that it really is that fast. Like in the Case 3, that moment, when the entrepreneur told that there is a one-month time, before they run out of cash unless the deal at hand was closed, PU really understood the difference between corporations and startups. Also PA was astonished, when she realized the actual financial situation in the startup, after seeing the financial statement:

“They had tight financial situation, but I just noted that I really did not realized that so tight. (Case 6. PA)

The lack of financial resources was a reason, why many of the startups faced so called “survival mode”. In this mode entrepreneurs were forced to squirrel around in the hope of cash flow and there were no clear vision or direction. In addition, entrepreneurs were too busy to survive and they lacked the time and/or energy to be proactive and focus on the future. The squirreling around resulted many unfinished, half-ready tasks, plans and visions. This could be described as a “vicious cycle”, because without a vision and a roadmap it is difficult to improve the financial situation in a long run.

“I have had the impression that in startups, they rush in many directions, and so they didn’t find the bean, let’s go there...it was one of the things that was confirmed, cause they [entrepreneurs], at that one point, were also half-ready to every direction.” (Case 5. MV)

“We haven’t reach to that proactive point, there haven’t been enough cash flow, so that it would be possible to think, that we could proactively do some choices, so that in the future thing would go better.” (Case 7. UH)

As a result, the importance of sales became evident and concrete. All other key business functions were connected to sales and obviously, without sufficient cash flow organizations of any size will bankrupt eventually. Hence, it is not surprising, that participants highlighted the importance of sales as an ability and an action of entrepreneurs. They also connected the importance of sale in their own work.

“It is also important in my work as well as in entrepreneur’s, that I meet customers and sell.” (Case 6. PA)

"I still need to put more effort on sales, and then, leave aside other person's problems and note, that those are not really my problems" (Case 8. ME)

And furthermore to *"measuring the time spend in a project vs. its revenue"*.

"How much time you can give to someone to manage or sell something, like in practice, it doesn't matter if you made the deal, but the project is already on red, because you used that much of time... It is something that we could improve here quite lot, and so I could say it is an outcome that I could already deploy to our daily basis." (Case 7. UH)

In startups limited resources required continuous evaluation and questioning, whether or not the focus was on right things. It was typical and part of the dynamics of the startups, that the following pattern was used: test – evaluate – change – repeat. This enabled flexibility and fast changes in the direction, while in large corporations, existing business, bureaucracy and internal processes take time and make it slow. The dynamic nature of doing things was highlighted as an important and desirable ability for larger organizations as well.

"The dynamics of the startup and how it is working, well, it is admirable, the way it is going forward... we ain't gonna be a startup, that is quite obvious, but we could still have some startup-like ways of working, which we could use and in that way get more speed to our own organizations and to the whole corporation." (Case 3. PU)

In addition, experiencing the reality of limited resources resulted the improved focus of participants' own work and time. Many of the interviewees described, how they started to think and question, if they are focusing on the right things in their work.

"I cannot say only one thing, but in general it has brought this kind of, in my case for example, I have started to think, do I concentrate on right things in my job and then I have discussed with my subordinates, if they concentrate on right things in their job, and trying to ensure that." (Case 8. ME)

Summarizing, the well-educated, experienced and knowledgeable participants were often taken by surprise by the realities of startup life. They knew well a lot in theory, but first-hand experience still offered enlightenment. One key learning was understanding of the tricky balancing act between the efforts to concentrate on startup's future and ensure day-to-day survival and prioritizing the tasks for each moment. Particular highlights mentioned were the importance of sales and the improved focus in their own work.

4.3.2. Strategizing in startup context

Limited resources and strategy work are closely intertwined, especially through the vision and decision-making. Participants emphasized the practical importance of vision to any organization as well as its role in leadership. Despite the different situations and challenges between startups, every advisory board worked with the startups' visions trying to make those clearer and compact. A vision and a direction was needed in order to understand what was the core of the startup's business and also its brand image, identity or narrative.

"Well, there is one, which is somewhere in the distance, but how their actions and products correspond to its actualization, so if I use this kind of trend word such narrative, then its development is kind of in the half way." (Case 4. IA)

Vision was essential for knowing where to focus and what actions should be prioritized, but if the resources were limited it could easily trigger the somewhat vicious cycle or survival mode, which were already elaborated in the previous chapter (6.3.1.)

"It can be the little things that define whether or not the firm will succeed...right strings and pieces in your hands and then your working needs to be focused, those are the things that matter, those are critical, I haven't even understood how critical they are." (Case 1. NI)

Typically, the way vision is created in startups can be a result of planning, actions and experiences, in which case the vision has typically developed step by step while startup has learned by doing, or as a combination of both.

“Now it is rather shaped there, partly as a result of their own creation, and partly as a result of their successes...then we have noticed these branches in the vision, which we were able to cut out.” (Case 7. UH)

The startups’ challenges in different business functions, such as pricing logic, internationalization and marketing, forced advisory boards to ponder different options and solutions, to try these solutions and further evaluate, change and to try again modified or different solutions based on the resources at hand and the feedback, that the entrepreneurs received from customers.

We will continue its [the model of pricing] development, of course we hear all the time their experiences about that, when they have spoken with the customers and received feedback, we continue its development based on that feedback then. (Case 4. IA)

In order to move forward and towards the startups’ visions, decisions had to be made. When the resources were scarce, it was necessity to ask, what is the smartest thing to do here, what should be prioritized and where the focus should be, still maintaining the direction towards the vision. In addition, remembering the fast and dynamic nature of startup life, the decisions and possible changes in the direction needed to happen relatively quickly. This is strategy work as its rawest - immediate, intensive and compact.

“How they determine the prices of their products, that is something that we have worked from the very beginning... their perceptions on, which products are important and others things have changed so much, that we haven’t yet found the final solution, what would be the success story... that is still in the progress.” (Case 7. UH)

“...to have heart in that, if you don’t believe in that solutions, so why should I try to push it through. Maybe it is the courage to stop playing... and the perspective

that what will I do if those would be my money, do I believe in the payback.” (Case 5. MV)

It appears that experiencing startup life provided an opportunity to understand strategically the big picture of the organization, its smaller parts and how all these are connected to different substantive business functions. Participants had the chance to work on real startups’ challenges and dig out the problem and identify the key questions. When asked, what they consider as a success during the EEX program so far, many interviewees mentioned the ability to address the right questions

“...we try to build the company in the longer term, so mainly the differentiation of essential questions...” (Case 4. IA)

As a summary, the challenging situations in startups required participants to evaluate and refer the advice and decisions always to the strategy and vision of the startup, when at the same time the strategy and vision was in the process of making. Hence, this indicates that the participants’ perspective and understanding of strategy work expanded.

4.3.3. Ambiguity of the Advisory Board work

In the beginning of the EEX program, advisory boards received deliberately limited guidelines of how advisory boards should manage their work. The given guidelines considered a formal meeting routines, such as selecting dates well in advance, a chairman and a secretary for every meeting or predetermined period and making a minutes from every meeting, starting the first meeting by filling up a business model canvas, which was started already at the Kick-off in August 2015, and in general suggestions, that members ought to start the whole program as open-minded, without any biases from previous experiences. Otherwise, the agendas and topics chosen to the meetings were in the hands of the advisory boards. The lack of predetermined structure resulted both positive and negative feedback

from the participants. Despite the negative feedback (was mainly received in P2P-evaluation), it seemed that the lack of strict structure had positive outcomes.

“Some structure to follow, some path that we take as an AB, and in which this startup has also committed, that these are the things you should go through and that way, you would get like broad-based, proper cross-section from the whole startup.” (Case 7. UH)

Interviewees described that one of the motivation factors to join in the EEX program was their will to be useful and to help the startups and the entrepreneurs (see chapter 6.1.). This as a baseline, it was quite natural, that they also had a will and they were aiming for effective and productive working in advisory boards. Together the will to be useful and non-structured AB work obliged participants to take responsibility of their role and contribution in the AB, especially in the beginning of the program, and required to find and learn best practices to work as an AB. Most likely this differed from the outcomes that pre-structured AB work would have caused. In the program there were eight different advisory boards, which varied e.g. in the formal meeting routines, while seven AB used chairman, secretary and did minutes after the meeting, one AB group did not follow this policy, the way agendas were prepared, the meeting cycle, and as one of the ABs discussed regularly without the entrepreneur (see. Case 1. NI), some ABs had tried it and some not.

“You define by yourself, which are the essential things, and it is good, because then you have to think yourself, and you are not given some [pre-determined] role, instead you have to think yourself, how you can contribute, how you can learn, and so on... I think is rather good... you have to figure out how you can create additional value to this...” (Case 4. IA)

While asked what would the interviewees wanted to do differently or change if they could go back in time, everyone said that they would wanted to start to work faster and more effectively with those “hot topics or critical issues” that the startup was facing. This also indicated participants’ level of commitment, and their will to help as well as their high expectations and requirements from themselves

and from the AB. In other words, not taking the easy way out, but instead asking and constructively questioning the actions and decisions made by entrepreneur and AB.

"I think I would have started earlier to work with the investor problem, when it did not come out in the beginning..." (Case 8. ME)

"It should have, earlier in the program, to go through the practices how we work and what is our role and so, that conversation we should have started earlier." (Case 1. NI)

The members, who were chosen to particular advisory boards, did not know each other in advance. After becoming acquainted, members started to know each other's' background, experiences and strengths. Interviewees told that it was interesting, broadened one's perspective and hence, were beneficial for AB work, that the members came from different backgrounds. This situation provided an opportunity for networking and to learn from other members' experiences and knowledge.

"Our AB has formed quite good, every member is a bit different and with different background, which in my opinion has certainly enriched our working." (Case 8. ME)

"It has been also a great thing - networking with other members, even though the startup and the entrepreneurs are in the center, of course, but it is interesting to broad one's network also in that sense." (Case 2. JU)

According to the participants the atmosphere in Advisory Board meetings were open, honest and informal, where everyone had the chance to share one's opinions and ideas. This informal nature of the meetings enabled a certain liberty to throw ideas and to speak more freely. As advisory board's main function was to advice, and hence the AB was not directly responsible of the startup's business success, like for example a board of directors would have been, made the communication more effective. It seemed, that the lack of formal responsibility and profit targets, made it easier to participants to contribute in AB work. Interviewees described that the contributions between different AB members

were in balance at the time interviews were held. However, it took time before the balance was reached and the members found their roles.

“Well, it is an advisory board, in that sense, we don’t have the power to decide over the entrepreneur... In that way, maybe this AB is easier than a proper board of directors, because then... we would need to think more carefully, what is the power of CEO and which are the things that (s)he can decide, and which are the responsibilities of the board...” (Case 3. PU)

“Everyone take part in conversations, it not like one person’s monolog, but rather everyone’s contribution is pretty even, of course, one knows something and another one something else... a bit generalizing, everyone has a clear right for their participation...” (Case 8. ME)

In order to still improve the efficiency of their work in advisory boards and get the most of it, some interviewees requested entrepreneurs to e.g. send agendas well in advance for the meetings or to give homework. For some entrepreneurs, this seemed as a challenge first.

“First, it was a challenge to get the entrepreneur send the agendas beforehand, so in my opinion, (s)he thought that it was enough that (s)he is there and gives just an update to us. Well, after all, in order to get something out of us...we said that we need...we were asking that is there some matters in the next meeting that you want to discuss with us, that we could be prepared better... well, it was one challenge in the beginning. There were few meetings before...” (Case 3. PU)

On the other hand, two of the eight interviewees felt somewhat insecure before they were able to give their full contribution to AB work due to the differences in expertise between other members.

“Well, maybe some courage to bring my own opinion, even, when I am not at my comfort zone. Maybe those issues have been like... I seemed to me that HR-people have more to give than I have, so that is it relevant to bring my opinion or not... or is the expertise find in there, maybe I have thought so... let them tell more and take

responsibility, but well, I think it hardly haven't been bad to say my opinion as well." Case 2. JU)

"...if I think about it in my perspective, when there are persons in the board, who have done real business all except me actually, well before you have the courage to open your mouth and speak up for example how to build some pricing model, well it took time a bit and maybe you didn't express strong opinions due to 'well, there are more capable persons here'..." (Case 4. IA)

However, during the time of the interviews, IA seemed to find his place and role in the AB, while during the interview JU reflected the situation and figured out a way to contribute and use his expertise more. The open and friendly atmosphere supported and made it easier to contribute.

"Group dynamics, luckily it has been just..., that if you say something the reaction is not like in some online forum... everything is taken under consideration, really nice group and nice atmosphere, which is just aiming to create some additional value to the work. And well, you also learn yourself." (Case 4. IA)

"Actually, it might be my inefficiency, that I haven't asked for it [financial statement]...I think I will ask to see it. I can pick up some things from there, because I have used to it, and then ask some questions." (Case 2. JU)

As a summary, the responsibility that participants' needed to take in order to make the advisory board work effective had many positive outcomes, including building a team, its practices and growing along with it and networking as well as learning from others.

4.3.4. Supporting leadership development of the entrepreneurs

In general, an entrepreneur needs to handle everything that is related to startup's business. All the business functions that in larger organizations are divided to different departments, an entrepreneur needs to handle by her/himself partly due to the limited resources. Hence, an entrepreneur has typically lot in her/his hands.

While the startup grows, it become eventually essential to recruit more people, which in turn requires entrepreneurs to think also about their leadership skills.

Interviewees highlighted the need for an effective team in startups. Team members with right substance knowledge and talents, such as marketing or technical expertise and with entrepreneurial mindset including e.g. proactivity, become important, when the startups grow. However, it may not be evident that sharing the responsibilities and power, would be easy for the entrepreneur, while (s)he is used to handle everything by her/himself. As the corporate employees had experienced managers and leaders in their own business fields, quite naturally, they were also able to advice the entrepreneurs in this sector.

“Certainly, I believe, that those advisory boards have something to give for the entrepreneurs, after all, they are very pragmatic persons, who run these startups.”
(Case 5. MV)

Many interviewees pointed out that as a leader, entrepreneur needs to be able to delegate tasks and share responsibilities. Not being able to do this may become an obstacle for growth. Especially, as a startup entrepreneur it was about balancing between covering all business roles, and taking care of one’s coping, while the resources were limited.

“The point where there is enough revenue to separate the practical work and leadership, because no one is superman till the end so that (s)he could do it all. Yep, I think that is one of those things that we have been able to state.” (Case 5. MV)

During the EEX program advisory boards faced really difficult situations. For example, ME in the Case 8. described a challenging situation, when the AB members told the current CEO and entrepreneurs that they are not the one to run the startup successfully. On the other hand, UH in Case 7. told about trust issues between the CEO and the others, which caused further problems in the dynamics of the startup team and required lot of AB’s support. Also in Case 1. NI and the

other advisory board members, suggested entrepreneur to reconsider its main business.

“...for the leadership perspective, especially, that they have been able to accept and listen what the group around you is sitting and pondering their core business, it is not an easy thing either.” (Case 1. NI)

Handling of these challenging situation indicated of participants' high-level commitment and willingness to take responsibility. This also provided an opportunity to the entrepreneurs as leaders to understand their strengths and weaknesses better and in that way, improve their self-knowledge.

As a conclusion, the importance of the team and sharing the responsibilities were highlighted. In turn, the challenges ABs faced provided opportunities to entrepreneurs improve their leadership skills and self-knowledge.

5 Discussion and conclusion

This chapter discuss the results and their implications. The aim of this study was to understand what is entrepreneurial leadership and how the it can be developed during the EEX program. Three research questions were addressed, and those covered corporate employees' motivation and expectations, the perceptions of both entrepreneurship and leadership and changes in those, and further, the critical experiences, which might affect their learning.

First, the results are discussed, and we tried to answer the question - what it actually takes to become entrepreneurial leader. Second, the evaluation and limitations of this study is provided. As a conclusion, the importance of these results is highlighted and some recommendations for future research is made.

5.1. Becoming an entrepreneurial leader

This chapter describes what is needed to become an entrepreneurial leader based on the results of this study. First the implications for theory and the framework are proposed. Second, the practical implications and recommendations for the EEX program are represented.

5.1.1. Implications for theory

The emergent framework developed and introduced earlier in this thesis (see Figure 3.) reflected the competencies and traits that entrepreneurial leader requires. Based on these results, this framework formed a promising start for further research. However, to complete the framework few improvements are suggested.

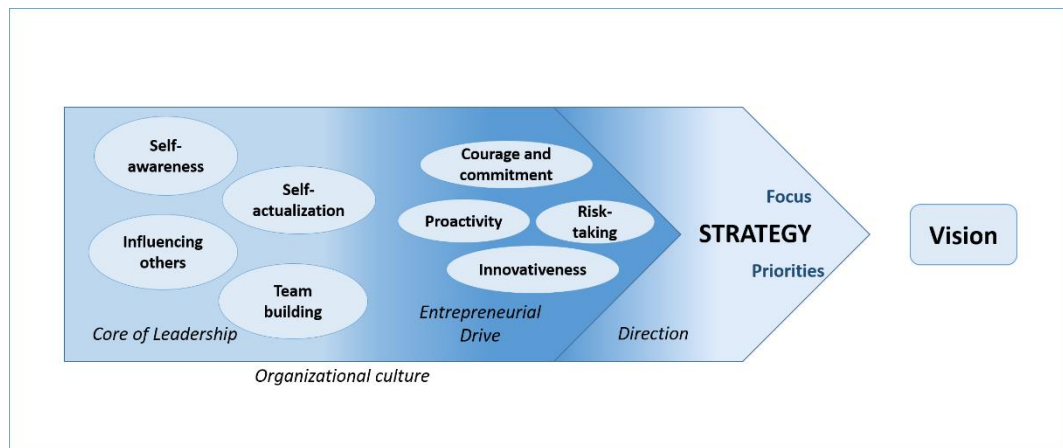


Figure 6. Modified framework of entrepreneurial leadership.

The modified framework is represented in the figure 6. First, the shape is changed to describe the dynamics towards the vision. This change was made because the importance of practical strategy work was highlighted in the results. The core of leadership stayed the same, since these elements were required as a base for any kind of leadership.

However, the distinctive element, that separates “ordinary” leadership and entrepreneurial leadership is the entrepreneurial drive. This included pro-activity, innovativeness and risk-taking propensity as one of its elements. These were all considered as entrepreneurial actions and part of the startup business. In addition, two other traits that considered important to entrepreneurship were courage and commitment, which have not emerged from the previous studies. Both of these could be included to the ability to take risks, since risk-taking requires courage and partly increases commitment. Based on the results, courage and commitment deserved to be separately highlighted. Courage was seen as an ability to go out of one’s comfort zone and face and act in uncertain situation (cf. the difference to e.g. skydiving). Confidence and believing one’s own thing were related and overlapping terms which interviewees used, when they talked about the commitment that entrepreneurs showed to their cause. Both courage and commitment were desirable features from the perspective of the interviewees, and thus, the importance of those features in entrepreneurial leadership should be emphasized.

Another area of improvement was the importance of strategy work for entrepreneurial leader. When vision is needed as a compass heading, strategy describes the steps required to reach that vision. Even though strategy and vision were emphasized by the previous studies, its practical importance should be highlighted even further. While working with the limited resources, focus and prioritizing became important and concrete for the participants. While prioritizing forced to limit the possibilities and required better focus in the on-going tasks, it sharpened the strategic decisions and direction towards the vision. Hence, focus and prioritizing were added to the sharpened framework of entrepreneurial leadership.

It should be noted, that as far as I know this was the first time when learning outcomes at non-entrepreneurs, whom target was not be an entrepreneur at the end, were studied in entrepreneurial context. As a setting this was complex. Yet the results indicated the real-life situations in entrepreneurial context provided opportunities for corporate employees to learn and develop their skills. Even though they were not the ones who directly faced the startup challenges as an entrepreneur. This is consistent with the assumption when individuals, inexperienced in the field of entrepreneurship, undergo critical events, they will not only learn from the event but also develop their ability to think and act more entrepreneurial way based on those events (Pittaway, Thorpe 2012, Cope, Watts 2000). However, before generalization from the perspective of EEX program, further research is required.

Furthermore, the results of this study are consistent with the previous studies about reflective learning and confirmed the importance of reflection as a part of higher-level learning process. In a way, it was actually the participation to EEX program provided one complex critical event or “process”, which then included several smaller challenges and successes that further deepened corporate employees’ understanding of the startup life and its cycle. Furthermore, this was consisted with the previous research about the critical incidents, and provides

further validation for its use as a research technique in qualitative studies (Pittaway, Thorpe 2012, Cope, Watts 2000, Lindh, Thorgren 2015).

5.1.2. Implications for practice

The participants' perceptions of startup entrepreneurs were clarified, enhanced and concretized. The way some participant's talk about the entrepreneurs also reflected respect and appreciation towards the hard-working attitude and courage of the entrepreneurs. Participants' enhanced understanding of entrepreneurship in practical level may be beneficial in the future, if/when new ways for cooperation are created. In large corporations, it is an asset to have employees, who actually understand and know how startups work - employees who know the cultural differences and are able to work together effectively despite of the differences. This would definitely enhance the cooperation possibilities, make it faster and more diverse and further, improve the ability to be innovative and agile in larger corporations as well, like many scholars have highlighted. (Karol 2015, Middlebrooks 2015, Kuratko, Hornsby et al. 2015, Leitch, McMullan et al. 2013)

The results indicate that, while for corporate employees learning entrepreneurship was in their focus, they felt that there was not that much of conscious improvement in leadership skills or they did not focus on that. One of the reason for this could be that leadership skills are on a "deeper" level, closer to individuals' identity, personality and the interactions skills, which further arise from that base. (Craig L.Pearce 2007) Hence, it may be harder to change these skills and also notice these changes. It is also possible that changes in leadership skills happen gradually and that the given timeframe was not sufficient to obtain the changes. Another reason for this could be that the participants did not perceive the EEX program as a leadership developmental program, instead they focused on enhancing their knowledge about startup life due to its novelty to all participants. However, participants saw that as an advisory board they had a good opportunity to affect and develop entrepreneurs' leadership skills and by that way bring more structure to startup's processes. They emphasized the importance of

sharing leadership – sharing the responsibility and power between other employees in startup. (see e.g. Gupta et al. 2004)

All startups provided different context with different challenges. Some startups were at different stages; some were more mature than others as was described in the case descriptions. Despite all advisory boards worked with the startup's vision and strategy, and strategizing in startup context was intensive, compact and part of everyday work, since every decision required to be put in to perspective of startup's vision. The participants highlighted the need of strategy in order to know when, why and how they work toward the vision. This might have introduced a new more practical perspective to strategy work, which has been criticized about its non-concrete nature. (Mankins, Steele 2006, Campbell, Alexander 1997) Interestingly, a recent study from University of Vaasa suggested that only 13 % of Finnish executives know the strategy of their organizations (Maury 2016). This raises questions, how one can act according the organization's strategy if one does not know it? How can the decisions about new innovations or partners be made, if one does not know the direction of the organization?

Working with limited resources gave realistic and concrete perception of startup life and its cycle. Even though participants knew a lot in theory the practical experience still provided important insights. As a result, they highlighted the need of sales and improved focus in their own work. While in large corporations the bureaucracy and internal processes might bury the connections between sales and other key functions, in startup those connections are more clear due to the fast speed and dynamics. Thus, it can provide an overall but simplistic picture of all the key business functions and their connections, and this way work as a "reminder" for the participants.

The ambiguity of AB work seemed to have positive effects in team building. Team members needed to discover their roles in the team and structure their work in an efficient way, which resulted an informal and convenient atmosphere. It was easy to take part in the conversation, contribute and thus, learn from other members' experiences and ideas. Furthermore, as teams are important units in

today's organization it is an essential ability of a leader to work efficiently in a team and also facilitate its work (Craig L.Pearce 2007, Rapp, Gilson et al. 2016). The initial ambiguous setting required and developed teams' self-management skills and at the same time it created a rich environment for personal development and learning.

As a result, it was difficult to point out what have been the level of development or learning outcomes of the participants. Instead it is argued that the EEX program offered good opportunities to learn, and thus worked as a trigger for reflective learning process. However, it was important that the participants were motivated and they had positive expectations of joining the program. Participants felt curious and eager to develop their skills, which is a good starting point for learning entrepreneurial leadership.

5.1.3. Recommendations for the EEX program

This study was conducted as a part of the second round of EEX program, and even though the outcomes were positive in generally, some practical implications and recommendations are suggested here in order to improve the program for the future.

Since, the structure or the lack of structure and strict guidelines resulted both positive and negative feedback, especially in the beginning, it seemed that the informal nature of AB work and how it was built, enhanced the members' team spirit and tighter it in a positive way. Hence, it is recommended to provide as few guidelines as possible to maintain the informal nature of the AB meetings. However, in order to start faster and more effective – entrepreneurs could provide information package and/or pitch of their startup's business and a status update for AB members to explore in advance. This would help the startup to structure and understand its present situation, and practice the pitch and presentation. In addition, as one interviewee suggested, it might be efficient to have a few EEX participants from previous rounds as "tutors" to new advisory boards especially in

the beginning of the program. “Tutors” could share their experiences and best practices and thus, foster the start of AB work.

Interviews provided good opportunity for the corporate employee to reflect and summarize what have been experienced so far in the EEX program. An opportunity to reflect one’s experiences during the program may enhance participants’ learning. This might be helpful especially from the leadership development perspective, since the participants’ focus was mainly on learning to understand entrepreneurship. Providing questions, which stimulate reflection upon experiences and their personal development, might be useful tools to improve learning and development in the future.

It is also recommended to continue the research on the EEX program. First, future research might provide answer to questions that this study has raised and second, it would certainly help to develop the program itself, gives the chance to understand it better, and helps to define how to evaluate the program in the future. Hence, as a setting this program provides very interesting perspectives for many researchers in social sciences. The detailed suggestions for future research are represented later (chapter 5.3.).

5.2. Evaluation and limitations of study

In this study data collection and analysis followed the qualitative research approach. (SAGE Publications 2008) This study is evaluated according to the four criteria of *credibility, transferability, dependability and confirmability* suggested by Lincoln and Guba (1985).

The criteria of credibility refer to the truthfulness or the trustworthiness of the findings. Lincoln and Guba suggested several techniques, such as prolonged engagement, triangulation and member checks, to use in order to increase the probability to establishing credibility of the study. In this thesis researcher spent a sufficient time within the research context by being part of the EEX team and familiarizing herself with the team members, organizing the first round of Peer to peer-evaluation, participating to the Joint Event of participants and

entrepreneurs, and observing three Advisory Board meetings. Thus, it can be stated that the technique of prolonged engagement was used in this study and therefore, the researcher was able to understand the contexts, build trust with the EEX team members as well as with the participants and entrepreneurs and thus overcome the effects of possible misinformation. The technique of triangulation refers to the use of different sources, methods, investigators, and theories. (Lincoln, Guba 1985) In this study, different sources were used to get familiarized with the context as well as the topic itself. There were several discussions with the EEX team members concerning the program, its challenges and development, as well as the theories and findings of this study. Both contributing literature and empirical data were utilized to form a holistic overview of the phenomenon. Also, some triangulation in methods can be detected, as the descriptions and the extracts in the results were used. (Lincoln, Guba 1985). According to Lincoln and Guba the member checks is most crucial technique to establishing credibility. As part of the analysis, the case descriptions were sent to the interviewees for further check, comments and reflections in order to verify and validate the researcher's interpretations. Since the data used in this study is not limited to one point of view, it provides a holistic overview of the whole process and thus the credibility of this study is increased.

Transferability, the second criterion of the evaluation, considers how well the findings of a particular study can be applied to other situation. Nevertheless, it is always relative and depends largely on, how much overlapping there are in the circumstances. (Lincoln, Guba 1985) To ensure the transferability of the study, researcher need to provide a thick description, which includes an "*extensive and careful description of the time, the place, the context and the culture*", to which the findings of the study relate. By this way anyone, who wants to apply the study to another situation, is able to make the judgement of its transferability. (Guba, Lincoln 1989) In this study the researcher aimed to describe the research project in dept. The methodology including the description of the EEX program, data collection and data analysis are represented in the third chapter. In the chapter 4, the results are described by using extracts to support the analysis made by the

researcher. The limitations of this study are also represented as part of this evaluation chapter (5.2.).

The third factor, dependability, refers to the consistency of the findings and repeatability of the study. Hence dependability suggests that the methods used and the decisions made during the research process should be available for external review, in which the reviewer can examine and understand the factors that lead to the researcher to the certain interpretations. (Guba, Lincoln 1989) Guba and Lincoln suggested a technique of dependable audit, which the process and method decisions are exposed for external review. In this study, all the changes concerning the process and methods were discussed with the advisor and/or supervisor of the thesis in order to sustain the dependability. In addition, the thesis was also reviewed once by a peer during the process.

The final criterion, conformability, refers to the reliability of the findings and hence, studies the degree of which the researcher's interests affect the results. Conformability of the research can be assessed by tracing the data back to its sources and that the logic behind the interpretation is coherent and leads back to the data. The technique to evaluate this is called conformability audit. (Lincoln, Guba 1985) In this study, the process of analysis is described in detail, and the raw data was transcribed and coded accordingly. The findings and their meanings were discussed with the advisor and other members of EEX team.

Moreover, it is possible to identify some limitations concerning this study. First, the selection of participants in the program; the participants were somewhat individual champions, talented and succeeded in their careers, so their ability and motivation to develop was high. This may have resulted more positive outcomes than the "normal" group of employees would have done. However, EEX is not intended as regular management training and the participants represent well the deliberately selected target group. Further research would provide more insight in this matter.

Second, it was noted that the translation of the language from Finnish to English might cause nuances in interpretations. However, based on the feedback received

from the interviewees as a part of the case description checks confirmed that the researcher's interpretations were recognizable and correct.

The data was gathered approximately six months after the beginning, in the middle of the EEX program and considered participants' experiences so far. A more comprehensive overview of the participants' development would have required more interviews in different times, for example in the beginning, in the middle and after the program. Unfortunately, this was not possible due to the time limits of this thesis. However, interviews taken in the middle of the program resulted up to date – information and interviewees were able to remember well their experiences.

Due to the semi-structured interview format, the emphasis of the interviews varied a bit, which may have affected the results as well as the researcher's inexperience of conducting interviews may have done. However, the utilization of several different sources from different perspectives (interviews, observations, P2P-evaluation and Joint Event), and versatile analysis enhance the reliability of the obtained results.

5.3. Conclusions and future research

The purpose of this research was to study how the corporate key talents experienced the EEX program and how they developed during it. As many scholars have suggested the need and importance of entrepreneurial mind-set and leadership in today's organizations was highlighted also by the results of this study. Certainly, entrepreneurial leadership is required to respond the fast changing environment and growing competition. Thus, it is important that we know how to develop the different factors, traits and elements of entrepreneurial leadership.

For participants the EEX program provided unique possibilities to learn and experience, how working with limited resources demand clearer focus and prioritizing in actions, and how every decision should be made in a relation to vision and strategy. In addition, the ambiguity of the advisory board work forced

to think how the participants can add value and contribute to the work. Furthermore, supporting entrepreneurs' leadership skills gave an opportunity to consider participants' own views and perception about effective leadership.

In addition, an emergent framework of entrepreneurial leadership was introduced as an implication for theory. Unlike the previous frameworks of entrepreneurial leadership, this framework succeeded to distinct entrepreneurial leadership from ordinary leadership by addressing *the entrepreneurial drive* as an engine of action. Action that is beyond the regular management.

As a conclusion, it is suggested that the importance of developing entrepreneurial leaders in corporations is to acquire more committed and innovative employees, who can be proactive and have the drive to go beyond the regular, and to create possibilities for new cooperation practices between large corporations and startups. It is obvious that not everyone can become an entrepreneur or corporation cannot transform into startup. For this reason, we need cooperation that combines the best practices of both sides – corporate and startup. We need entrepreneurial leaders, who understand the importance of practical strategy work, are able to make strategic decision related to the vision, appreciate the way startup entrepreneur work, and thus, are *“entrepreneur compatible”*. Hopefully in the future, a sufficient members of entrepreneurial leaders, critical mass can be reached, and the whole organization can become compatible with entrepreneurs. This way they can work efficiently with entrepreneurs and foster the cooperation as equal partners.

“To succeed amidst digitalization and globalization, not all of us need to become intra- or entrepreneurs, but we will have to learn to work with them and support them – cast the roles anew.” (Peltonen 2016)

Like mentioned already the EEX program offers many interesting research topics and study designs for the future research. As the strategy work and vision was highlighted, it would be interesting to study how the perceptions of strategy work and its importance have changed as a result of the EEX experience. Second, longitudinal research is recommended to understand and measure participants'

personal development and learning outcomes, and further, what have been the consequences of that development in their home organization. In addition, it would be also interesting to study entrepreneurs' experiences and development during the program.

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Appendix 1. The themes of interviews

General questions:

- What is your job in your organization?
- What kind of training / coaching programs you have been involved in the past?
- What were the reasons for you to participate in the EEX program and what were your expectations at the beginning, before the first appointments?
- What is it like to be involved in the EEX program? Does it meet your expectations?

Entrepreneurial leadership:

- How was it like to be working in the advisory board? How would you describe the actions and atmosphere of the past six months?
- What have you learned about entrepreneurship during the EEX program? Has your perception changed? What are the most important features of an entrepreneur?
- What have you learned about leadership during the program? Has your perception changed? What are the most important features of a leader?
- How would you describe entrepreneurial leadership? What kind of features or ways of working it includes or requires?
 - Have you noticed entrepreneurial leadership kind of actions in the last six months? Describe those situations.
 - How risk-taking propensity, innovativeness and proactivity has been seen in last six months and what way? Describe those situations.
 - How about vision and influencing others?
- What have been challenging situations? What issues you were working with? How have you managed or have you?
- Where AB and/or entrepreneurs have succeeded?

- How would you describe the interaction and communication in AB? Are there situations when it has been fluent or challenging?
- How AB makes decisions or does it? On the other hand, how the entrepreneur makes decisions?
- Have there been situations where there were no solutions? What kind of situations those were and what did you do?
- Have you noticed anything regard to AB work or the entrepreneur that would have influenced to your own work?
- Have you noticed that you think or act differently in some situations in your home organizations?

Appendix 2. Case descriptions

Case 1. NI – rearranging the way, how AB works

There were basically two reasons for NI to participate EEX program. First he wanted to widen his own knowledge and perspective in startup life and second, he wanted to see if he was able to help the startup. In addition, he mentioned the possibilities for networking and learning from other AB members.

In the beginning it was challenging for Advisory Board to find its own role and effective way of working. NI describes that the focus was to understand what the startup is actually working on, what is the core business where the startup needs funding. In the AB meetings entrepreneur was reporting what have been done and what is the current situation and this continued throughout the first five months. NI described that the AB sensed that it was not able to help and advice the startup as much as it would have wanted. As a result, the AB changed its way of working so that they started to keep meetings via Skype without the entrepreneur and formed a common opinion or view, what to suggest - what would be the best solution for startup to move forward.

“Now we have got a different mode as AB, we have taken different role and we have conversation among AB members without the entrepreneur between the AB meetings... we form one view so that it is easier to spar the startup, where to go and how to move forward. It has changed the agendas of the AB meetings and now we discuss more about the possibilities and options, and as a AB tried to lead towards those, instead of just listening what the entrepreneur have done. This has boost the AB work to a new level.”

Another challenging situation that AB faced, was to evaluate startup business opportunities. After a relatively long consideration, AB decided to suggest a new direction for the startup. For the entrepreneurs this meant that they might need to change their core business in order to survive and secure the cash flow.

“We were prepared for it in advance, and, well, in the meeting we brought our opinion about the possibilities of their business, like with numbers, and thereafter

we submitted the materials and calculations and our views in written for them to ponder and then we actually recommended, what they should consider...”

For NI it was hard to mention yet, if there were some learning outcomes related to the EEX program. However, he noted that this has encouraged to question and to use more creative thinking, instead of acting and repeating “those normal and old ways of doing things”.

Case 2. JU – the courage of entrepreneurs

JU decided to participate EEX program, because he wanted to see in more detail how startups work. He had previous experience in working with small and medium sized companies, but the practical understanding and knowledge was lacking. In addition, he also wanted to help.

“It would be totally amazing to see, that this startup just got the boost it needed in order to grow and succeed and that their product becomes a Finnish export.”

According to JU the first six months have been fun, and the AB group is formed very well. Sometimes he would have wanted to have more challenges or “homework” and somehow he also felt that he may have present more proactively his own area of expertise and help in that scene. JU supposed that it might have helped, if they have shared more clearly their backgrounds and areas of expertise between the AB members in the beginning. Nevertheless, AB had been able to help the startup in many challenges related to business functions, such as determination of pricing, measuring different sales figures and recruiting. In addition, members have also provided their own networks and this way the startup has got e.g. sales leads.

As a result of six months’ period in EEX and AB work, JU had got practical understanding of the importance and the possibilities of social media in marketing, had grown his networks and had realized how brave the entrepreneurs are and they need to be in order to grow their business.

“Our entrepreneurs... they just don’t think whom there are talking to, or presenting their products whether it is a big chief of HR or whatever, they just go, talk,

represent and are confident, and I think that is great, I should try to do it more myself as well... it is maybe the most important lesson, if I could only catch it on."

Case 3. PU – in order to learn, one has to experience

In PU's organization it was already stated as a part of the strategy, that the company wanted to enhance its co-work with startups, but the methods were not yet to be known. In that sense, EEX program provided both good timing and hands on experience from startup scene and was the main reason for PU to participate. In addition, he also wanted to see and experience the dynamics of a startup.

PU described that the past six months in EEX program have been "damn nice". There have been a good team and momentum in the AB meetings. For PU it had been surprising and instructive to notice how important and useful informal networks can be and that these had open many doors to the entrepreneur. AB members had also shared their contacts to the entrepreneurs.

"This dynamics, it is something what gives energy also yourself... we meet every three weeks and so much happens every time between the meetings. Sometimes it feels we ought to meet more often. Of course the entrepreneur keeps us very well informed by email if something remarkable happens... So that in that sense, it almost feels that you are part of the startup, not only a member of advisory board."

However, there have been many challenges, such as internationalization and in the beginning it took time, before the AB and entrepreneur found its efficient way to work together. Especially challenging it was for the entrepreneur to have sufficient amount of formal structure in the meetings, like sending the agendas in advance, in order to get the most of the AB members. One of the critical moments PU described was the financial crisis that the startup had after five months of EEX program – there was just about over a month, when the entrepreneurs told the AB, before the cash would have ran out if the startup can't close the deal. In that moment the difference between startup and corporation was really clarified and

concretized and every AB member were truly worried, while the entrepreneur thought it was “a normal situation”.

After six months in EEX program and experience of intense startup life, PU described and picked up three important outcomes.

“The dynamic of the startup, courage to approach different parties and use of networks, also commitment and to trust in your own story.”

PU highlighted the importance to experience the startup life by yourself.

“This is one of those things you have to experience by yourself. It doesn’t matter how much I talk about it in my organization, of course they (colleagues) listen with interest, but when you don’t live there along with it, it is not that way, however, learned.”

Case 4. IA – how to help more effectively Finnish entrepreneurs

In EEX program, IA saw the possibility to get valuable, practical knowledge about Finnish startups and small companies and their working methods as well as challenges they face, which directly helped IA in his daily work and on the other hand he could provide some valuable knowledge about internationalization to the entrepreneurs.

“So learning process, test laboratory, and of course when I do this work, I want genuinely help Finnish companies, so bringing my expertise to help the startup to develop its business.”

In the beginning of the program, IA felt that it was good that there was no strict structure for AB, members’ roles and how they should work. IA described that it was challenging, but “intellectually interesting” when one needs to reflect by oneself, what is one’s role and how one can actually help. Instead of just following predefined process and adjusting to that.

In advisory board they soon noticed that there were three bigger challenges related to startup’s expectations and needs. This became so called “top three”, which AB had worked with.

“Well, the pricing was one of those, also this internationalization and its focus points and then the third one was then related to productizing.”

When asked where AB and entrepreneurs have succeeded, IA highlighted that AB was able to ask the right questions and hence address the top three of challenges and how to proceed with those. IA reflected that positive and informal atmosphere have supported open conversations “little bit like brainstorming”, where one can also ask “stupid questions”.

“Very nice people, and nice atmosphere, which is exactly aiming at that we try to create some additional value to this business. And you lean also by yourself, so we have a good gang.”

For IA it was hard to say, if EEX program have provided any bigger learning outcomes or critical changes in thinking, more it had enhanced already existing views and opinions about startup life, entrepreneurship and leadership.

“Well at least it has given understanding about the essential challenges in their daily business and how we (in my organization) can facilitate and, hopefully, create circumstances, which are useful to Finnish entrepreneurs... And of course, I have learned things outside my own expertise, this kind of general, so called common business knowledge.”

Case 5. MV – experiencing new business field

MV had a background in “somewhat conservative business field”. When he signed in to EEX program, he did not really know what to expect, but the program sounded interesting enough, so he thought “why not”. However, he assumed that startups are more dynamic, the decision are made faster, and that there is a possibility for networking and learning from others. MV also mentioned the chance to help the entrepreneur as a one of his motives.

As one of the challenges MV and the advisory board had struggled was related to startup’s vision and direction. MV described this as one of the critical events. First

they thought that everything was fine and balanced was found, but suddenly startup's direction needed to be change in order to survive. In that moment AB members from totally different backgrounds rolled out their sleeves and had a long brainstorming session.

“On the other hand it was fun, but challenging, there were five people from totally different backgrounds and we are playing there with some other person's money... quite fast the situation concretized that we needed to find a solution... well this is the reason why we are in this program, now we can figure this out together, solve and create, now we have a real problem.”

This was one of the obstacles the AB struggled through and the balance was returned. AB had also been able to advice entrepreneurs and question, what are the most important actions and priorities.

“Although, one of the things that we brought as a AB team, maybe it is little bit about the leadership as well, but sort of that if you are in a hurry and you are trying to do everything in everywhere, so then you don't have anything ready to show to the customer, so we recommended that maybe they (entrepreneur) should put some effort to product developed to have a demo, real, concrete product, something to present... and then they made a video and developed that product forward...”

As learning outcomes, MV brought up few things. He was surprised by the dynamics and speed of startup life and cycle, even though he had assumed that it is fast. Secondly, he was pleased to experience software business, especially in consumer sector and expected that this might be useful knowledge for him in the future.

Case 6. PA – broaden perspective to one's own work

PA had a wide experience in different positions from finance sector. Two main reasons for her to participate to EEX program, were the opportunity to see what

is startup life in reality and that way had a chance to develop herself particularly professionally.

In the beginning PA and also other AB members in her perspective were excited and thrilled to work with their startup and entrepreneur, and PA felt it was *“instructive and interesting”* to see, how other members, from totally different backgrounds, think and work. Due to the request of entrepreneur, in those first meetings AB concentrated on clarifying the vision and how to expand and scale up the business of the startup. However, soon after the first meetings the entrepreneur told the AB that they had financial difficulties. Due to her background PA thought that entrepreneur can easily apply for a small loan and asked to see the balance sheets, when PA realized that startup was fighting for its survival and had a really bad financial situation. Despite the challenging situation AB members rolled of their sleeves to find solutions and help the entrepreneur to move forward.

“They had tight financial situation, but I just noted that I really did not realized that so tight. We noted together that fine, this is the situation and now we need to move forward and think what shall we do next. We didn’t grizzle there further, but we thanked the entrepreneur for telling us, it was a sign of confidence.”

PA describes the atmosphere in AB meetings as a positive and that these meetings had also been important for the entrepreneur, who called them as a *“lifeline”*. However, she was somewhat disappointed that as an AB team they should have done more in order to help the entrepreneur and sometimes she felt kind of *“powerless”*, because the AB did not succeed to overcome the financial problem. AB had succeeded in finding short-time solutions and with those the startup had survived. PA told the AB encouraged the entrepreneur to talk to the owners, and they also started to build a presentation about the startup, something that the entrepreneur could show to the potential investors.

So far in the program, the challenges had been a lot about funding and unfortunately with these issues PA worked with every day, so in that sense there did not happen that much of learning. Nonetheless, she had understood and

experienced the role of funding from different perspective and also reminded herself, what is the focus and the most important things in her own work.

“The entrepreneur has some much thing (s)he need to think, like storage, logistics...the most important is the sales in my opinion, but how many other things (s)he need to take care of and how small part, actually, funding and financing are in entrepreneur’s thought even though it really important. “

” It is also important in my work as well as in entrepreneur’s, that I meet customers and sell.”

Case 7. UH – innovativeness requires co-operation and small and agile units

To UH EEX program sounded really interesting, because the department that he had led, have been also kind of a divergent in a big corporation, and so their challenges could be similar to startup’s. Despite the most important reason for him, was his will to develop himself “now as well as in the future”. He expected to see different operating cultures and environment, and to be influenced by those and “of course to bring my own view of doing things”.

In the beginning UH expected more predefined structure from the EEX side and he assumed that due to the lack of it AB work started to follow entrepreneur’s agenda. He admitted that AB did not really intervene on that despite its possibilities due to severe problems the startup had at that moment, which required AB’s support. There were two bigger challenges that AB had faced related to leadership and financing. UH described that in the AB meeting the atmosphere was divided even though they had “a good drive forward”. In startup, there was a trust issue between the owner/entrepreneur and the startup’s CEO, which caused the CEO being somewhat paralyzed, when the owner was around. Since this was noted, the AB members had worked to solve the problem by supporting the CEO to improve his/her leadership and by having e.g. private discussion with different parties. By this way AB had contributed to build the trust. UH felt that he had lot to give in this leadership issue due to his background.

"I have tried to influence to the owner, from the perspective of leadership, that (s)he would understand, what mischief (s)he causes by her/his own behavior by worrying that, of course it is her/his own money that goes down the drain, but it is an issue, that (s)he has not been able to see, that it might be her/him that actually affects on that."

Struggles with financial situation became easier partly due to AB's support and guidance of the sales process and sales pitch. As a result, the startup developed a way to predict its cash flow, sales from the sales leads in their pipeline and in addition, its sales pitch by changing its perspective from just explaining and presenting their product and services to find out what is the customer's problem, which can be solved by their product or service.

In order to expand his knowledge, UH would have wanted to challenge himself more with different tasks, such as financing or pricing, which would have been slightly out of his comfort zone. However, he summarized his learning outcomes as understanding the need of small and agile units in order to innovate, measuring the time spend in a project vs. its revenue, and that problems need to be solved and those cannot be hid.

"Well the first thing, and probably the biggest enlightenment, is that big corporation needs to be able to innovate and quite big part of it, is the ability to utilize small companies and startups or to know, how to create these small, agile units...where there is a chance to think outside the box..."

Case 8. ME – focusing on the right things

ME had a strong background in change management, but at that time ME's formal work had some similarities with startups and that motivated him to join in the EEX program – he felt it could be a good learning point and maybe he could also help the startup. He told he did not have any big expectations, instead he wanted to get the overall picture, before making any evaluations.

ME described that the EEX experience so far had been interesting, AB members had scheduled their meetings flexibly and the communication had been open and honest. It had enriched the AB work, that members came from totally different backgrounds. However, it turned out that the startup had big challenges especially related to financing and funding, which according to ME were not the ones that entrepreneur represented in the beginning.

"We knew that there isn't enough cash flow, but we were told that their financial situation is sufficient for now, but anyone did not become to ask, how long... determine how long time is that 'for now'"

He concluded that the problem is the lack of sales person, who would know how to sell and for example do the pitching in funding events. This situation culminated so that AB had told to its entrepreneur that (s)he is not the right CEO for the startup.

"Well, probably the latest have been most challenging situation for AB - how to tell the entrepreneur that (s)he is not the right CEO for the startup"

Despite the challenges also concrete progress had been gained.

"Hmmm. In my opinion that investor deck is now in good shape...we have also recognized the problems and clarified the positioning of their product or service, which the startup is working with, these have been quite successful cases, which I believe the entrepreneur has respected, actually, I know (s)he has."

ME summarized that participating to the EEX program has provided some small insight from here and there. However, the most valuable outcome for him was the enhanced need of constructive questioning and improved focus.

"I cannot say only one thing, but in general it has brought this kind of, in my case for example, I have started to think, do I concentrate on right thing in my job and then I have discussed with my subordinates, if they concentrate on right things in their job, and try to ensure that."