ABSTRACT
The objective of this research is to analyze whether entrepreneurs’ leadership behaviors in small and micro enterprises that provide services contribute to the dissemination of the many dimensions of entrepreneurial orientation. This is basic qualitative research of an exploratory and interpretative nature, carried out by means of interviews – with a semi-structured script – applied to five entrepreneurs who are MSE leaders. Research data was analyzed through content analysis proposed by Bardin (2008), and narratives, according to Gibbs (2009). The results reveal that entrepreneurs use the dimensions of entrepreneurial orientation with varying intensity and in an informal way, because they are not familiar with the practices of these dimensions.

Keywords: Entrepreneur. Behavior leadership. Entrepreneurial orientation. MSEs.

RESUMO
Esta pesquisa tem por objetivo analisar se o comportamento de liderança do empreendedor de micro e pequenas empresas, prestadoras de serviços, contribuem na disseminação das dimensões da orientação empreendedora. Trata-se de uma pesquisa qualitativa básica de natureza exploratória e interpretativa, realizada por meio de entrevistas com um roteiro semiestruturado com cinco empreendedores líderes de MPEs. Os dados da pesquisa foram analisados por meio da análise de conteúdo proposta por Bardin (2008) e as narrativas conforme Gibbs (2009). Os resultados demonstram que os empreendedores fazem uso das dimensões da orientação empreendedora em intensidades diferentes e de maneira informal por não estarem familiarizados com a prática das dimensões da orientação empreendedora.

RESUMEN
Esta estudio tiene como objetivo analizar si el comportamiento de liderazgo del emprendedor en la micro y pequeña empresa, proveedores de servicios, contribuye a la propagación de las dimensiones de la orientación emprendedora. Se trata de una base exploratoria cualitativa e interpretativa, llevada a cabo a través de entrevistas con un guión de estructura semiaplicada a cinco empresarios líderes de MPEs. Los datos de la investigación fueron analizados a través del análisis de contenido propuesto por Bardin (2008) y las teorías apoyadas por Gibbs (2009). Los resultados han demostrado que los emprendedores están utilizando la orientación emprendedora con intensidades diferentes y de manera informal, al no estar familiarizados con las prácticas de la orientación emprendedora.

Palabras clave: Emprendedor. Comportamiento de liderazgo. Orientación emprendedora. MPE.

1 INTRODUCTION
Enterprises are increasingly seeking to absorb employees’ skills and abilities. To this end, employees have to assimilate the enterprise’s culture, the levels of expectations and the management style of business managers, leaders or owners.

The dimensions of entrepreneurial orientation, discussed by researchers as a strategy that contributes to stimulating and developing skills and abilities, as well as potentiating employees’ actions, are becoming important management tools for leaders.

The use of dimensions of entrepreneurial orientation, from now on called EO, contributes to corporate entrepreneurial processes occurring in a planned way and, thus, minimize the impacts that different levels of organizational change can cause (MILLER, MILLER, 2011). They are also seen as methods, practices and styles of management decision-making, used for taking action in an entrepreneurial way (LUMPKIN, DESS, 1996). These authors argue that entrepreneurial orientation emerges from expectations of strategic choices, whose new business opportunities can be undertaken successfully and intentionally.

On the other hand, Covin and Lumpkin (2011), in research that carries out a meta-analysis of the subject, found that the EO phenomenon can be seen from the dispositional or behavioral perspective, highlighting the dichotomy that exists within enterprises. Thus, to these authors, sometimes the dimensions of EO act as a way of encouraging entrepreneurial behavior, even without leaders being aligned with the practice of these incentives; and sometimes spontaneous behavior by employees is observed, despite there being no institutional support.

Thus, EO involves key employees’ and leaders’ intentions and actions, as a process for generating development, and is understood as an entrepreneurial attitude that also provides impetus to the creation of new businesses (COVIN, MILES, 1999).

The five dimensions of EO are considered relevant to guiding entrepreneurship, according to Lumpkin and Dess (1996). They are:

- innovative capacity, which refers to the organization's performance (WIKLUND, 1999);
- risk propensity, which refers to maximizing risk-adjusted return (COVIN, SLEVIN, 1989; LUMPKIN, DESS, 1996);
- proactiveness, which suggests looking forward through innovative activities (LUMPKIN, DESS, 1996);
- autonomy, which represents individuals’ independent action within the organization (LUMPKIN, DESS, 1996); and
- competitive aggressiveness, which suggests actions to overcome competition, overcoming threats from the market (LUMPKIN, DESS, 1996).

Although these dimensions are identified as a propensity towards encouraging entrepreneurial behavior (COVIN, LUMPKIN, 2011), managers’ leadership is a key factor to disseminating EO practices. Thus, the typology developed by Yukl, Gordon and Taber (2002) is another strand of
analysis in this research, and it deals with three behaviors that characterize the leader:

- task behavior: leadership focused on implementing activities;
- relations behavior: leadership focused on coaching and developing employees; and
- change-oriented behavior: leadership that evaluates the various environments that the company operates in and focuses on planning.

Thus, the objective of this research is to analyze whether entrepreneurs’ leadership behaviors in small and micro enterprises that provide services contribute to the dissemination of the many dimensions of entrepreneurial orientation. Its specific objectives are to get to know leadership styles according to the abovementioned taxonomy, and to identify whether entrepreneurial leaders do or do not use actions referring to EO dimensions when carrying out their activities and, consequently, when developing the employees they work with.

2 THEORETICAL FRAMEWORK

This research includes theoretical assumptions focused on analyzing entrepreneurs’ leadership behaviors in the dissemination of entrepreneurial orientation dimensions within the context of organizations.

This is a growing field of study; however, when the context are Brazilian MSEs that are service providers, few studies exist, thus demonstrating a gap and the existence of a field of study to be explored. Among Brazilian studies, we identified research carried out in enterprises that are large, reputable and consolidated in the software industry market, and that have over ten years’ of experience, whose EO dimensions were relevant to impacting the enterprises’ businesses (MARTENS, 2009).

An article carried out through quantitative research sought to identify characteristic similarities and differences between entrepreneurs from business incubators in Brazil and in Portugal, comparing the cultural dimension models of Hofstede and the EO models of Lumpkin and Dess, concluding that there are differences between cultural dimensions and that EO proved higher in Brazil than in Portugal (SILVA, GOMES, CORREIA, 2009). Research by Reis Neto (2013) examined the relationship of the EO constructs, according to Naman and Slevin’s approach, and marketing ability within business performance, perceived by managers in retail Mato Grosso do Sul enterprises; the results revealed that there is no significant differences in EO practices and marketing ability in micro or small enterprises. However, these results suggest that entrepreneurs should adopt a more entrepreneurial attitude so as to achieve greater business performance.

As can be seen, there are in researched literature few Brazilian studies focused on EO within MSEs, especially if the objective is to better understand the dissemination of EO dimensions by entrepreneurial leaders.

Thus, this paper is organized in four sections, plus an introduction. The theoretical framework discusses study variables, entrepreneurs’ leadership behavior, supported by the taxonomy of Yukl, Gordon, and Taber (2002), and entrepreneurial orientation, based on the five dimensions of Lumpkin and Dess (1996). Next, it presents the methodology, the nature of research, respondents, the instrument used to collect data and how this data was processed. The results sought to cross the variables, highlighting the entrepreneurial leader’s actions and EO. Finally, it presents its final considerations, including limitations as well as directions for future studies.

2.1 Entrepreneurial leadership behavior

Personality is a concept that contributes to the understanding of attitudes and behaviors of individuals within organizations, as well as signaling individual differences (MORIN, AUBÉ, 2009). Nevertheless, a set of behaviors contributed to the characterization of leadership, as well as to the various different ways of leading (CHEMERS, FIELDLER, 1981). These actions trigger different behaviors in the way planning, directing, controlling and supervising occur, revealing variations from one situation to another.
Entrepreneurial Leaders and the Dissemination of Entrepreneurial Orientation

“... Managers’ style of leadership is obviously important to the employee and to the organization as a whole. It is extremely important to you if your manager tells you that you are doing a good job and deserve a raise, or that you are incompetent and should be fired. The way managers behave towards their subordinates affects the total movement of work, as well as employee satisfaction and, of course, your own performance...” (CHEMERS, FIELDLER, 1981, p. 35).

There are several theories which help to analyze the profile and behavior of leaders towards their employees. Perren (2000) states that studies of leadership have been associated with entrepreneurs as a fundamental feature in the process of creating and developing businesses. Julien (2010) highlights entrepreneurs’ characteristics without neglecting the history of the organizations that created them and the environment of which they are a part. Some studies try to explore the scope of entrepreneurship and leadership definitions, and there are competing views about the roles and impacts of entrepreneurs and leaders.

For this study, whose purpose is to analyze whether entrepreneurial leadership behaviors in MSEs that are service providers contribute to the dissemination of EO dimensions, we chose the approach of Yukl, Gordon and Taber (2002), who suggest a hierarchical taxonomy. This taxonomy reflects the consolidation of three categories, two of which are addressed from the earliest studies of leadership: the behavioral approach (relations and task) and relations behaviors, and a third, which addresses aspects referring to the external environment (change), as shown in Chart 1.

<table>
<thead>
<tr>
<th>Task behaviors</th>
<th>Relations behaviors</th>
<th>Change-oriented behaviors</th>
</tr>
</thead>
<tbody>
<tr>
<td>– Plans short-term activities;</td>
<td>– Offers support and encouragement;</td>
<td>– Monitors the external environment;</td>
</tr>
<tr>
<td>– Explains the goals of tasks and expectations referring to each role; and</td>
<td>– Recognizes achievements and contributions;</td>
<td>– Proposes innovative strategies or new visions;</td>
</tr>
<tr>
<td>– Monitors operations and performance.</td>
<td>– Develops the skills and confidence of employees;</td>
<td>– Encourages innovative thinking; and</td>
</tr>
<tr>
<td></td>
<td>– Consults employees when making decisions;</td>
<td>– Takes risks to promote necessary changes.</td>
</tr>
</tbody>
</table>

This taxonomy proposes three aspects which can reflect the behavior of leaders concerning tasks, relations and changes. Thus, this approach explains the actions that define the internal environment and the activities carried out by employees (task behaviors); involvement with the team and how this reflects on its performance (relations behaviors); and the perception of the external environment and of market actions, involving staff in innovative activities or new strategies so as to become more competitive (change-oriented behaviors).

2.2 Dimensions of entrepreneurial orientation

EO is the practice of entrepreneurship within organizations. Its origins are in strategic planning, since it refers to actions by individuals (MILLER, FRISEN, 1982). Experts consider EO as the way a business is run, that is, the enterprise adopts this stance as a form of entrepreneurial management.

So, one of its characteristics is the fact that it is constantly striving to innovate products and technology, aggressive competitive orientation and managers’ strong tendency to take on business risks. Frisen and Miller (1982) argue that this kind of managers’ behavior occurs periodically and involves all levels of the organization, reflecting the overall business philosophy in practical and tangible actions.

One of the first definitions of EO referred exactly to the type of entrepreneurial management that characterizes an entrepreneurial organization.
capable of innovating in products and/or markets, with some degree of risk in business, and acting proactively as to their competitors (MILLER, 1983). To consolidate this line of thought, EO was characterized by the composition of its dimensions. The three initial dimensions identified in Miller's studies (1983) are: innovation, proactiveness and risk propensity.

Innovation refers to the enterprise's willingness to support and generate possibilities so that creativity and various other experiments are tested when developing new products and services, to the introduction of new technologies, and to the reengineering of internal processes and procedures. In the vision of Miller and Frisen (1982), entrepreneurial companies are highlighted because of the heavy use of innovative practices. The second dimension is proactiveness, understood as the enterprise's ability to seek and develop new opportunities and anticipate solutions, and not just go after available market options. In practice, it is anticipating actions, seeing opportunities and looking for the solution of an impending problem. To Lumpkin and Dess (1996), proactiveness means that an individual anticipates his actions referring to the needs that permeate the environment, controlling future problems.

Risk propensity, the third dimension, is the enterprise's perception when dealing with projects that offer new business prospects and, consequently, acting boldly rather than cautiously, in order to achieve the organization's goals. This acceptance of risk refers directly to the interest of the enterprise's top management in having resources to implement new projects and develop new opportunities (LUMPKIN, DESS, 1996).

Miller (1983), Lumpkin and Dess (1996) established another two dimensions to better characterize and cover the entrepreneurial process and EO dimensions: competitive aggressiveness and autonomy.

Competitive aggressiveness, the fourth dimension, is characterized by actions to reduce or eliminate actions by the competition. It mostly refers to non-traditional methods of competition to obtain expected results. These methods refer to decreasing profitability in order to gain a share of the market, operating with prices below competitors and act according to the actions of competitors, responding aggressively (VEKATARAMAN, 1989; CHEN, HAMBRICK, 1995).

Autonomy, on the other hand — the fifth dimension — refers to behaviors that do not depend on the entrepreneur, reflecting on employees a behavior that is guided by autonomous practices (LUMPKIN, DESS, 1996). Importantly, the use of these autonomous practices is directly linked to the organization's stance concerning the freedom of actions it offers to employees. Bouchard (2002) mentions autonomy to employees as a means of expanding business, taking the quest for opportunities out of the enterprise.

It is important to mention that the enterprise’s culture has a strong influence on the dissemination of these actions, indicating how much the enterprise is capable of carrying out independents actions in the pursuit of new opportunities, without reflecting any constraint on employees seeking these initiatives (LEE, PETERSON, 2000).

3 METHODOLOGICAL PROCEDURES

The objective of this research is to analyze whether entrepreneurs’ leadership behaviors in SMEs that provide services contribute to the dissemination of the many dimensions of entrepreneurial orientation (EO). To this end, it is theoretically sustained by the dimensions of Lumpkin and Dess (1996) and the taxonomy of Yukl, Gordon and Taber (2002). This is basic qualitative research which, according to Merriam (1998), contains essential qualitative methodology characteristics, but that does not have the necessary requirements to be considered a case study, since it does not carry out detailed analysis of the environment, nor an ethnographic study, nor is its objective the analysis of the behavior of group members, among other special specifications (GODOY, 2005).
This research is exploratory in nature and, for this type of study, the inductive process is the most appropriate (BOOTH, COLOMB, WILLIAMS, 2005). Since we are seeking to understand a phenomenon, the point of view of the surveyed subjects (entrepreneurial leaders) is crucial, and is a starting point for investigation (MARTINS, THEÓPHILO, 2009). The sample that was selected to participate in the survey is located in the western region of greater São Paulo, taking into account the importance of the region as a driver of MSEs.

Survey respondents are five owners of MSEs that provide different kinds of services. For data collection, we chose in depth interviews, supported by a semi-structured script.

Data was recorded with the permission of the respondents and wholly transcribed, in order to provide more accurate considerations and fidelity when interpreting the collected information (GIBBS, 2009). Next, data was separated in groups, categorized and analyzed using content analysis proposed by Bardin (2008) and narrative analysis, according to Gibbs (2009). Thus, it was possible to share the meaning that the experiences have to the respondents and give them a voice to express them, as well as to understand how they view their professional activities and how they lead their businesses.

4 DATA ANALYSIS AND RESULTS

To preserve the identity of enterprises and their respondents, enterprises were called E1, E2, E3, E4 and E5. In order to consolidate results, they were divided into two categories: entrepreneurial leadership and behavior and entrepreneurial orientation (EO).

4.1 Profile of respondents and enterprises

Respondents are entrepreneurs and main managers of the surveyed enterprises, as shown in Chart 2. Criteria for selection of the enterprises sought to meet the following requirements: a) located in the western region of greater São Paulo and being over three years old; b) characteristics of business and/or market insertion identify certain entrepreneurial activities; c) the size of the enterprise characterized according to Complementary Law n. 123 of December 14, 2006; and, d) by accessibility.

<table>
<thead>
<tr>
<th>Manager / Enterprise</th>
<th>Level of Instruction</th>
<th>Position</th>
<th>Experience / years</th>
<th>Place</th>
<th>Number of employees</th>
<th>Field of activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Postgraduate degree</td>
<td>Director</td>
<td>16</td>
<td>Osasco</td>
<td>5</td>
<td>General consultancy</td>
</tr>
<tr>
<td>E2</td>
<td>Elementary school degree</td>
<td>Director</td>
<td>4</td>
<td>Carapicuíba</td>
<td>6</td>
<td>Pallet trade</td>
</tr>
<tr>
<td>E3</td>
<td>Secondary school degree</td>
<td>Director</td>
<td>20</td>
<td>Osasco</td>
<td>15</td>
<td>International logistics</td>
</tr>
<tr>
<td>E4</td>
<td>Secondary school degree</td>
<td>Commercial director</td>
<td>7</td>
<td>Barueri</td>
<td>10</td>
<td>National logistics</td>
</tr>
<tr>
<td>E5</td>
<td>Postgraduate degree</td>
<td>Commercial director</td>
<td>20</td>
<td>Osasco</td>
<td>10</td>
<td>Asset valuation</td>
</tr>
</tbody>
</table>

CHART 2 – Profile of respondents and enterprises

Source: The Authors.
Chart 2 presents the demographics of survey respondents, highlighting the high educational level of these entrepreneurial leaders. We observed that the years of experience are significant, signaling that the three-year survival rate was overcome—a mortality milestone for micro and small businesses, according to research by Sebrae (2012). As for location, the western region of greater São Paulo was chosen for research due to its strong growth over recent years, facilitated by fiscal incentives and its strong performance in services rendered to the population, besides being considered as the driving region for MSEs.

4.2 Categories of answers

Data was categorized so as to group answers and rank them according to EO dimensions, in compliance with Lumpkin and Dess (1996), and with the taxonomy of leadership, according to Yukl, Gordon and Taber (2002). After several readings and following the guidelines of Bardin (2008), the consolidated categories were defined as: 1) entrepreneurial leadership and behavior, 2) dimensions of entrepreneurial orientation.

4.2.1 Category 1: entrepreneurial leadership and behavior

This category evaluates entrepreneurial actions and behaviors, reflected though the style of leading and taking action and through an understanding of how entrepreneurship is seen within the enterprises surveyed. In order to consolidate this information, this paper proposed that the topics be separated so as to better understand the generated answers. Chart 3 presents respondents’ understanding of how entrepreneurship and entrepreneurial actions that are carried out within enterprises are seen.

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Perceptions of Entrepreneurship</th>
<th>Entrepreneurial Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>“... it’s a person’s natural gift. It doesn’t have to be the owner, that’s why there are in the market people who lead and people who are led.”</td>
<td>“… in enterprises like mine, it’s already entrepreneurship in itself. Consultancy always has to propose solutions, and the problems aren’t all the same, so if you don’t possess the characteristics of entrepreneurship, you won’t move ahead.”</td>
</tr>
<tr>
<td>E2</td>
<td>“It’s to expand, to build, to think big, if you’re going to nail it I don’t know, but you’ve got to think big.”</td>
<td>“… the work that you do, however small, is contributing to entrepreneurship, without a doubt.”</td>
</tr>
<tr>
<td>E3</td>
<td>“... I learned a little about being an entrepreneur with my father [...]; he used to send me out to sell things at the market. He bought a popsicle machine and I used to go out and sell some. When I was at graduate school, I began to see that years before my father had been teaching me how to be an entrepreneur.”</td>
<td>“… it’s striving for the market and striving to get results out of your work, it’s showing that you can do it and do it well, even if it is a small business.”</td>
</tr>
<tr>
<td>E4</td>
<td>“... it’s having guts, but based on facts, it’s not simply ‘I like this and I’m going to do it’.”</td>
<td>“… the channel of communication and accountability with the client as open as possible.”</td>
</tr>
<tr>
<td>E5</td>
<td>“It is the ability to handle the business, it’s adding value to the market through your enterprise and taking on this business risks. It’s not simply putting an idea into practice, but consolidating that idea.”</td>
<td>“… to understand how you can approach the customer, offering your work, creating paths through which clients can benefit from this work.”</td>
</tr>
</tbody>
</table>

CHART 3 – Perceptions of entrepreneurship and entrepreneurial actions

Source: The Authors.

The different perceptions of entrepreneurship presented by literature were also highlighted by respondents. Although they consider themselves entrepreneurs, there is some difficulty when they are asked what entrepreneurship really is and how an entrepreneurial action can be identified. Either way, these different perceptions point to an individual who is capable of leading teams, who thinks big and has aspirations, who may not be
Entrepreneurial Leaders and the Dissemination of Entrepreneurial Orientation

influenced by others to open his or her business, but who draws on other people through the contributions received and this contributes to entrepreneurial training. To have enthusiasm and energy to carry out activities with wisdom and skill and to be capable of managing a business, consolidating the idea and being aware of inherent risks, are also characteristics that were pointed out by respondents.

Respondents revealed characteristics of innovative entrepreneurs, since striving to change something that is not in accordance with customers’ expectations seems to be the main factor for creating a business. This data corroborates the assumptions of Bessant and Tidd (2009), Degen (2009) and Julien (2010), by stating that the entrepreneur is someone who accomplishes new things and takes risks. In a complementary way, Kirzner (1973) and Salim (2004) define the entrepreneur as someone who finds opportunity in a chaotic environment, identifies when the market shows signs of some unmet demand, and visualizes this context as an opportunity, as well as being a person capable of leading and who is knowledgeable about the chosen type of business (SHANE, VENKATARAMAN, 2000).

Since entrepreneurial actions are guided by the style of their leaders, this study was supported in the taxonomies of leadership proposed by Yukl, Gordon and Taber (2002), characterized by management style, task, relations and change-oriented behaviors. If the way of leading reflects the productivity of employees, all respondents attest that their leadership is participatory and friendly and that this is perceived by employees. They also stated that “employees have freedom to work and consider themselves owners of the business” (E5), “employees are trustworthy” (E3), “interpersonal relationships with employees are beyond enterprise boundaries” (E1) and “they are treated affectionately” (E2). Enterprise E4 defines the relationship between enterprise and employees.

We’re always talking, and being close to them in everyday life is already attractive, because there are situations in which they are more comfortable with me than they’ve been with any other boss they’ve had in other enterprises, why? Because I have always respected them and committed to them. (E4)

The characteristics of leaders observed in literature are in accordance with the vision of leadership mentioned by respondents. Perren (2000), among other features, says that leadership is associated with communication and social skills, reliability, inspiring trust, genuine interest in others and guidance to staff. Mintzberg, mentioned by Yukl (1998), lists the roles of leaders, among several other factors, as interpersonal roles, maintaining social relationships with different groups.

4.2.2 Category 2: Dimensions of entrepreneurial orientation (EO)

Category 2 was analyzed from the perspective of the five dimensions of EO proposed by Lumpkin and Dess (1996), which according to them make up the practice of EO within organizations. These are: innovation, risk propensity, proactiveness, autonomy and competitive aggressiveness. These dimensions will be presented one by one, and at the end of this section there is a discussion, seeking to reflect about answers in the light of the literature studied.

4.2.2.1 Innovation

This dimension considers that innovations are actions by individuals, inclusion of new products and services, or simply changing from one way of taking action to another, in order to increase competitiveness.

Accordingly, the basis for interpreting this dimension is to analyze the emergence of innovations, the development of businesses within the MSEs, and the interaction between managers and employees in the dissemination of ideas and implementation of innovative processes.

Chart 4 presents main considerations on the subject in the opinion of the entrepreneurial leaders.
Entrepreneur | Emergence of innovations | Business and innovation within the enterprise
--- | --- | ---
E1 | “To implement constant new ways of taking action and to exchange ideas with experts when developing something new.” | “Business occurs through a website that I have...”
| | | “… I attend lectures and fairs... it's in those environments that you can do networking and through this networking make a deal.”
| | | – Innovation occurred when customizing a product that led to major market exposure.
E2 | “To always improve the quality of services rendered.” | “… but you have the right way of capturing, of pleasing, of joining the enterprise, of winning over the customers...”
| | | “They (employees) bring an idea and you analyze it, talk about it, and then we put it into practice. Was it good? Did it work out? Congratulations.”
| | | – Innovation occurred when there was a change in the way pallets were reformatted and there was a decrease in customers' requests for maintenance, generating loyalty.
E3 | “Based on experience, on projects that were implemented and on those that did not work out.” | “… analyzing the process that you carried out today, you modify it so that it is faster, and this you can use operationally or commercially...”
| | | “… ideas arise from needs when you are not happy with certain issues or something that makes you work too hard or rework.”
| | | – Innovation occurred when a new business model of international transportation was developed, with delivery grids (scheduled deployment in the second half of 2011).
E4 | “In weekly discussions for correction and analysis of the operation, in addition to exchanging ideas in everyday work.” | “… over time, a partnership emerges, we started to analyze how services are being rendered, how the business is currently going...”
| | | “… we included a meeting with employees to hear the difficulties they are facing and what the solutions are...”
| | | – Innovation occurred when an employee relocated his vehicle in another route, generating higher productivity.
E5 | “From the need to add value to the customer and in the constant striving to reduce deadlines, which is a business differentiator.” | “… business results from observing the market”
| | | “… they arise mainly from the problems customers bring and when I am able to reduce deadlines, I can bring something new to the enterprise.”
| | | – Innovation occurred when IT professionals developed a new system to assist and create dynamism in analysis.

**CHART 4** – The innovation dimension

**Source:** The Authors.

Innovation within MSEs that are service providers still seems to be something difficult to understand and grasp by the entrepreneurs. There is no clarity concerning the process and development of innovation by the respondents; during the interviews, questions had to be repeated as to somehow reach an understanding concerning the concept of innovation, even among the entrepreneurs who were convinced that they are innovative.

### 4.2.2.2 Risk propensity

The second dimension explores the propensity to risk and its impact on the businesses of MSEs. Risk propensity is the entrepreneur's ability to assimilate possible losses in business, of taking action in various situations without knowing if the result will be satisfactory, and of making decisions that may or may not refer to money (BHIDÉ, 2004). It also suggests a dimension focused on managers, reflecting on the way they work. Lumpkin and Dess (1996) argue that this is the most important dimension of EO, due to its degree of involvement with the path that the enterprise is following in the market.

Accordingly, to analyze this impact on MSEs surveyed, we chose analysis focused on the prospects for change in the environment, on the applicability of various projects within the enterprises, on decision-making that may refer to money and the vision of business facing the market. Chart 5 presents the main considerations concerning this dimension. To this end, we sought to classify items within a qualitative scale, whose propensities vary between moderate, aggressive and conservative. Furthermore, we sought to identify whether respondents considered change as a risk.
Entrepreneurial Leaders and the Dissemination of Entrepreneurial Orientation

**CHART 5 – Risk propensity**

<table>
<thead>
<tr>
<th>Item</th>
<th>E1</th>
<th>E2</th>
<th>E3</th>
<th>E4</th>
<th>E5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate to aggressive</td>
<td>Aggressive</td>
<td>Conservative to moderate</td>
</tr>
<tr>
<td>Business risk</td>
<td>Aggressive</td>
<td>Moderate to aggressive</td>
<td>Aggressive</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Considers change a risk</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: The Authors.

This dimension offers valuable considerations concerning the enterprise’s environment, because it deals with managers’ styles of taking action. When considering the types of projects within the MSEs, entrepreneurs reflect their degree of exposure, which is one of the critical factors to this dimension. The degree of exposure used by this research is the model of financial investments, which considers it a conservative degree when there is no risk that puts business at risk (savings accounts, for example), moderate when considering certain flexibility, assuming some risk (investment in pension funds, for example), and aggressive when the risk is something doable within the activity (shares traded in the stock exchange, for example).

Either way, the performances of the surveyed enterprises are concentrated in the moderate degree. These research findings are in accordance with literature. Entrepreneurial leaders try not to run too many risks. Covin and Slevin (1989) report that managers tend towards low-risk projects. Bhide (2004) asserts that entrepreneurs do not run risks that much, but tolerate like few people living with uncertainty and ambiguity. These authors point out that managers prefer to explore the environment gradually, cautiously. Enterprise E3’s response portrays this need for analysis of the environment.

We do what many large enterprises do not, so there is a certain fear that we will grow above expectations, so we work cautiously so as to grow within what is expected. Our main concerns are to increase net revenue, to no longer have suppliers (third parties) and to implement something that has never been seen in the market before, and we are optimizing the project as a whole. (E3)

Despite taking action in a moderate, cautious way, entrepreneurs consider business risks as high. Even an enterprise prone to following the market and its laws, as suggested by entrepreneur (E5), needs to restrict aggressive behavior so as to survive. Therefore, it seeks to work under the tutelage of a moderate risk to its business.

According to Lumpkin and Dess (2005), business risk is linked to little knowledge of the market, to lack of information concerning bank financing, with no guarantee of return, and to personal risk which ultimately adopts a strategy and keeps to it. Respondents from enterprises E2 and E3 corroborate this information.

This work is more or less like this, aggressive... There are moments when you feel that you are going to win, that you are going to get returns; and other moments when you feel that you’ll be left with nothing, then comes the part where you have to have a certain balance so as to take action when you are well. (E2)

Aggressive, because nowadays customers are not considered “mine”, they belong to the market. If you do not have their loyalty and do not show what you do and do not provide a good service, tomorrow they may “work” with someone else. So, the market is aggressive, you’re the one who has to learn how to manage this portfolio and the enterprise so that it can get returns in sales, customer maintenance and operation. (E3)
Concerning change, all respondents consider it a risk associated with a new business opportunity. Because it is something that may be out of your control, it is accepted without much questioning. Respondent from enterprise E2 depicts the fear of change, although he understands that it is necessary for the growth of his business. E4, on the other hand, emphasizes that, if there is no change, there may be a risk of loss of competitiveness and consequent loss of market. Respondent from enterprise E5 symbolizes the perception of managers concerning change.

“... an opportunity is a risk, but it is also a great opportunity to learn, to adapt, to escape from our own resistances.” (E5)

4.2.2.3 Proactiveness

The third dimension explores proactiveness and its impact on business. It is the ability to see an opportunity before it happens or to simply anticipate a problem so that it is kept to a minimum or eliminated.

It is an initiative to anticipate and pursue new opportunities, such as participating in emerging markets (LUMPKIN, DESS, 1996). On a strategic level, Miller and Friesen (1978) interpret proactiveness as the ability to shape the environment with new products and services. In this sense, the basis for the interpretation of proactiveness within MSEs is the analysis of the market and competitors, the of the manager facing the market, the way of controlling business and the response facing new actions in the market. For better understanding, Chart 6 presents considerations about this dimension.

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>External environment</th>
<th>Internal environment</th>
</tr>
</thead>
</table>
| E1           | – Large-scale competition;  
               – Market excellence or departure;  
               – Observation of market dynamics  
               – Thinking as a global enterprise | – Centralized control of business  
               – Decision-making based on pre-established criteria  
               – Decentralized and centralized management in various fields (responsible) |
| E2           | – Attention to disloyal competition  
               – Increase in quality to consolidate market | – Business control in spreadsheets  
               – Decentralized management as a way of not burdening |
| E3           | – Focus on large enterprises  
               – Flexibility to create differentiation  
               – Leaving behind a defensive attitude | – Business control being structured  
               – Decentralized management (higher trust in team) |
| E4           | – Communications and information are market differentials  
               – Working on competitors’ mistakes  
               – Ethics towards competitors | – Business control in spreadsheets  
               – Decentralized management among partners |
| E5           | – Strong, reputable competition;  
               – Price results in closing down of new businesses  
               – Enterprises that are not professionalized are short-lived | – Business control in system modules;  
               – Good management concerning bills to receive and pay; and  
               – Decentralized management (focused on project manager) |

CHART 6 – Proactiveness
Source: The Authors.

Analysis of the environment is essential to the entrepreneur in order to anticipate the market and to take advantage of possible opportunities that present themselves or to take action in situations where MSEs require correction. In this sense, respondents proved to be knowledgeable of the market and their competitors. “The market now harbors many competitors” (E1), “we have to be concerned about their actions” (E2), “my competitors are strong and reputable” (E5), “there is a lot of unfair competition” (E2). So, entrepreneurs pointed out the need to observe the dynamics of the market and of their competitors.
4.2.2.4 Autonomy

The fourth dimension is managers’ and employees’ autonomy and way of taking action. Autonomy refers to the freedom of action of employees and managers in the implementation of activities. Burgelman (2001) argues that autonomy is an inherent part of the entrepreneurial process and, thus, can help the enterprise gain market space since it suggests greater involvement by employees. Burns (1978), on the other hand, points out that transformative leadership is connected to building the capacity of the leader and to the education of subordinates, so that they develop their talents and motivation. Thus, the basis for the interpretation of autonomy perceived within MSEs is the vision of the leaders when delegating activities and the behavior perceived by employees when encouraging autonomous practices and monitoring these activities, in order to allow them to take action, but also to cooperate and assist in the activities to be undertaken. Chart 7 presents main considerations about this dimension.

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Concession of autonomy to employees</th>
<th>Monitoring of autonomous activities</th>
<th>Perception of autonomy in business</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Yes</td>
<td>Through work, centralizing information</td>
<td>Autonomy refers to responsibility, which contributes to the enterprise’s development.</td>
</tr>
<tr>
<td>E2</td>
<td>Yes</td>
<td>Observation</td>
<td>Autonomy allows employees freedom to work, does not result in dissatisfaction and they do not feel controlled.</td>
</tr>
<tr>
<td>E3</td>
<td>Yes</td>
<td>Reports</td>
<td>Autonomy contributes to the relationship with customers, as well as the employee being able to give opinions and present solutions.</td>
</tr>
<tr>
<td>E4</td>
<td>Yes</td>
<td>There is no formal control</td>
<td>It opens a channel of communication with managers and this makes work flow.</td>
</tr>
<tr>
<td>E5</td>
<td>Yes</td>
<td>Monitoring actions</td>
<td>It offers employees conditions to manage business in a natural way.</td>
</tr>
</tbody>
</table>

CHART 7 – Autonomy

**Source:** The Authors.

According to entrepreneurial leaders, autonomy can bring benefits to the enterprise’s business, and they also believe this to be an important factor in the development of activities. It is treated as an additional responsibility (E1), “as an improvement of the customer-supplier relationship” (E3), “it can lead to a lower degree of employee dissatisfaction” (E2) and “it naturally strengthens the manager-employee relationship” (E4), and “develops management skills” (E5).

Bouchard (2002) highlights another approach called target autonomy – when the enterprise suggests, autonomy to employees to seek new alternatives for business, even outside their organizational constraints. If this autonomy is positive for the enterprise, the way managers take action may suggest a certain lack of control over activities, so there is a need for constant monitoring of autonomous activities reported by employees. Respondent from enterprise E5 confirms this information.

> Actually, we have two types of employees. The officially employed one, who works with us all the time – in this case, I think there are about ten – and the employee by project. The latter has complete freedom, has autonomy, there are some basic rules, rules that are no big deal, but sometimes the guy who’s young sees the environment and thinks he can do whatever he likes and then he realizes that he has to achieve results. So, at first, he thinks the whole thing is disorganized, the when he begins to realize what is expected of him, and deadlines, he’ll also realize that it’s not like that, that he can work the he sees fit, but that, if he blows the deadline, he knows he will be in trouble. But he manages the whole process. Sometimes, it takes him a
while to understand, but then he realizes that things happen through his own process, naturally. (E5)

This way of taking action is highlighted by Lumpkin and Dess (2005) as elements that characterize autonomy and is described as the encouragement of entrepreneurial thinking, the impetus to develop new ideas, to develop autonomous teams and, therefore, monitoring of activities.

4.2.2.5 Competitive aggressiveness

The last category of analysis focuses on the dimension of competitive aggressiveness. In this dimension, we try to analyze the behavior of the entrepreneur against competitors and the market. It focuses on actions for conquering new markets or expanding current ones, and is called competitive aggressiveness. This dimension is exemplified in an aggressive posture for combating trends, in the use of unusual methods (DESS, LUMPKIN, 2005), or even in possible financial sacrifices (VENKATARAMAN, 1989).

In this sense, the basis for the interpretation of perceived competitive aggressiveness is the understanding of its concept, of ways of taking action when pursuing an increased market share, and of actions that inhibit the growth of competitors. Chart 8 presents main considerations about this dimension.

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Actions for own growth</th>
<th>Actions to inhibit the growth of competitors</th>
<th>Competitive aggressiveness concept</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Networking</td>
<td>Being observant</td>
<td>“Marketing, credibility, honesty, promptness and the main thing: business competence.”</td>
</tr>
<tr>
<td>E2</td>
<td>Structural growth</td>
<td>Being efficient</td>
<td>“Competence, you have to be very competent to be aggressive in your business, otherwise you offer no solutions for the enterprise. Much of this market aggressiveness is recognized and will be traced. So it is up to the manager to understand all this.”</td>
</tr>
<tr>
<td>E3</td>
<td>Investment in new sectors</td>
<td>Being efficient and responsible</td>
<td>“When you show efficiency and responsibility, customers want you. This ends up becoming an aggressive action in the eyes of your competitors, that is, they think... That company launched a product and that product is drawing a lot of attention because of its quality, price and promptness. These are the aspects that are perceived as aggressive by outsiders. This does not mean I will destroy the competitors, but opponents see it that way.”</td>
</tr>
<tr>
<td>E4</td>
<td>Acting on competitors’ mistakes</td>
<td>Being innovative and bold</td>
<td>“An innovative company is a bold company, even being conservative. It does something new in the market or takes an innovative approach, that others do not. But why don’t they? Because they have difficulties, and this is where you have to have the guts to do it.”</td>
</tr>
<tr>
<td>E5</td>
<td>Partnerships</td>
<td>Being agile</td>
<td>“I think a competitive company is one that can offer many competitive advantages, that are also well managed. What I call well managed is the following: everyone hands in a report at the end, so we put in information to further help in the customer’s decision-making. You must be sensitive in this evaluation to understand the customer. In a competitive business, you have to show your work. In approach it is the same thing, approach is highly technical.”</td>
</tr>
</tbody>
</table>

CHART 8 – Competitive aggressiveness

Source: The Authors.

In this dimension, respondents expose characteristics that can be their own and part of the enterprise’s environment, avoiding mentioning actions that might raise doubts about ethics in business or bring about any kind of relationship instability with competitors.
We observed that own characteristics may refer to honesty and credibility (E1), competence (E2), efficiency (E3), energy (E4) and sensitivity (E5).

Although most studies focus on large enterprises, these personal characteristics do not appear as characteristics in MSEs. Portrayed as competitive aggressiveness are spending on marketing, quality services, according to Macmillan and Day (1987), mentioned by Lumpkin and Dess (2005). Or cutting prices to increase market shares (VENKATARAMAN, 1989) and adopting a position to deconstruct competitors (DESS, LUMPKIN, 2005). For the growth of business, the MSEs surveyed seek mainly relationships, generating good contact with their clients, attracting through indication. Actions such as networking (E1) and partnerships (E5) reflect this way of taking action. Respondents from enterprises E4 and E5 establish this engagement with customers.

I use the customer portfolio for attracting and we are now closing the sixth bank and a new portfolio, it's a path, after that demand comes naturally. A share in the market happens first and happens little by little. An indication from the multiplier may take six months, until the person understands and accepts the job. We don't believe in direct mail, we don't believe in telemarketing. The bank asks for the full valuation and we work with the customer portfolio. (E5)

On the other hand, the cost factor is convergent with theoretical findings. Actions such as price reduction to keep or expand markets are explained by the respondents. Literature addresses this issue by suggesting that MSEs act according to the actions of competitors (CHEN, HAMBRICK, 1995), observing the dynamics of prices below competition (VEKATARAMAN, 1989), or where reproduction by competitors occurs, with prices below the ones that are being used (DESS, LUMPKIN, 2005).

This research reveals that competitive aggressiveness can be confused with other dimensions, such as innovation and risk propensity, since respondents from the enterprises confirm mainly the need to develop quality work in order to remain in the market. This situation can be noticed when respondent from enterprise E1 states that “there is enough market for everybody”, based on observations of the environment. On the other hand, respondent from enterprise E2 states that “… the customer bases himself a lot on what you do, on the quality of your work, on the fact that you are there when you need to be, I think that's more or less it”, reiterating issues concerning quality and commitment.

Finally, we observe that in the findings of this research, as well as in the theoretical assumptions, the customer is a very important center of attention, through actions that contribute to strengthening relationships, provide better quality of services and increase participation concerning the customer for whom the company already operates, through indications and/or networking.

For MSEs, networking is the main source of new businesses, according to respondents. It is also instrumental in strengthening relationships and expanding existing businesses. We could not identify in literature any studies linking competitive aggressiveness to networking as a way of gaining market share while reducing competitor participation. Respondent from enterprise E5 portrays this action by MSEs.

For example, nowadays I work with five banks and we are trying a sixth bank but we aren't managing to get in. Since this process is consolidated with these banks,
5 FINAL CONSIDERATIONS

The objective of this research is to analyze whether entrepreneurs’ leadership behaviors in small and micro enterprises that provide services contribute to the dissemination of the many dimensions of entrepreneurial orientation (EO) proposed by Lumpkin and Dess (1996). EO is a field of study of entrepreneurship; thus, its dimensions are essential and complementary when dealing with aspects referring to leadership in the context of MSEs.

It is clear that, in this business environment, leadership actions are generally directed by the business owner himself, reflecting on the use of dimensions to a greater or lesser extent, or on the creation of a new approach capable of adapting to businesses of this size.

The leadership style defended by Yukl, Gordon and Taber (2002) was noticed in the surveyed enterprises at different levels. Although task behavior was observed in enterprises E1 and E5 and change-oriented behavior in enterprise E4, all of them are predominantly guided by the behavior of the interpersonal relationship between manager-employee, through recognition of achievements, through autonomy given to employees and their involvement in decision-making processes.

On the other hand, the style of leadership identified brings with it a new perspective when associated with EO. Although literature focuses in a more recurrent way on dimensions of EO in large enterprises, some of these dimensions are less adherent when associated with MSEs that provide services.

These results offered insights, as a contribution of this research, that some of these dimensions, such as autonomy, effectiveness, interactions and risk propensity, need to become actions within MSEs, for companies’ survival, scale gains, competitiveness and, also, for the commitment of employees to the enterprise. By associating these reflections with the taxonomy of Yukl, Gordon and Taber (2002), new perspectives have emerged, resulting in an integrative scheme that associates the style of the leader with the dimensions of EO for actions in the context of MSEs that are service providers (Figure 1).

![Figure 1](image_url)

**Figure 1** – Integrative scheme of EO dimensions and entrepreneurial leadership behaviors

**Source:** The Authors.
This integrative scheme (Figure 1) allowed for a combination of several actions by entrepreneurs, relating leadership style with the dimensions of EO proposed for environments concerning MSEs that are service providers. The entrepreneurial leader is in the center of the actions, carrying out their activities through the four dimensions of EO. Generally, it’s possible to identify that, as to the characteristics of each individual, the more the leadership style fits into one or more dimensions, we suggest that employees feel more encouraged to do likewise. Thus, the dimensions of the EO proposed for entrepreneurs would be characterized thus:

1. Entrepreneur in the autonomy dimension: guides the team to take on responsibility and delegates activities, believes in the potential of this team and coaches it to achieve the proposed objective. Is participatory and present in all areas of the enterprise.

2. Entrepreneur in the effectiveness dimension: guides the team to take action facing adverse situations in daily life that require rapid responses, and not only in identifying them. Gives decision-making power and employees act as such in problem solving.

3. Entrepreneur in the interaction dimension: guides the team to strengthen relationships with customers, carry out networking to attract new businesses and be participative in business management.

4. Entrepreneur in the risk propensity dimension: guides the team to see the market and opportunities, assists in decision-making aiming at gaining a share of the market, and at attracting new opportunities through relationships with existing and other potential customers.

On the other hand, this research revealed that there are dimensions that present greater convergence between each other, that is, there is a tendency for the entrepreneurial leader to develop or possess simultaneously two or more potential dimensions. Accordingly, based on Figure 1, we sought to design a possible profile of the employee the leader wants.

<table>
<thead>
<tr>
<th>Characteristics of the entrepreneur</th>
<th>Characteristics of the employee</th>
</tr>
</thead>
</table>
| Autonomy + Effectiveness            | – Makes decisions without previous help.  
|                                     | – Analyzes elements as a team for better decision-making.  
|                                     | – Takes on the responsibility with the customer and solves the problem.  |
| Effectiveness + Interaction         | – Is participatory in company decisions.  
|                                     | – Seeks to improve the company's image through successful actions concerning customers.  
|                                     | – Gets involved and becomes a reference in customer services.  |
| Interaction + Risk propensity       | – Analyzes market opportunities and presents them in the company.  
|                                     | – Helps in decision-making.  
|                                     | – Improves relationships for leverage of new businesses and opportunities.  |
| Risk propensity + Autonomy          | – Is proactive.  
|                                     | – Is open to change, seeing it as opportunity.  
|                                     | – Seeks constant improvement as a way of receiving awards.  |

CHART 9 – Alignment between entrepreneur-employee

Source: The Authors.

Table 9, in seeking to integrate the characteristic of the entrepreneur with the desired actions of an employee, opens an important perspective in this important entrepreneur-employee relationship for MSEs that are service providers. Thus, the entrepreneur, when he identifies his leadership behavior and adopts a criterion to select his employees, may bring
with him a prospect of better use of human resources and, consequently, a better result for the enterprise. Therefore, this is a possibility for future research.

Studies emphasize the importance of maintaining in organizations different styles of people to compensate for possible deficiencies and, thus, have complementary behaviors. On the other hand, the results of this study suggest that, for the context of MSEs that are service providers, the similarity of actions between entrepreneurs and their employees is an important factor for enterprises to conquer their space in a competitive and aggressive market. To take action as a team seems to be one of the main foundations of MSEs’ survival regarding its image in the market and its actions towards clients, as well as the need to be proactive both in solving problems and in seeking opportunities and growth within a market that has already been conquered or is potentially so.

This study does not confirm the concepts found in the theories that formed the basis for its construction. On the other hand, it opens perspectives for further research, contributing to the expansion of studies and integrating the use of EO dimensions with the leadership behaviors of entrepreneurs.

We also noticed that, in the daily actions of MSEs, this management model can help entrepreneurs to seek in the market professionals who can add most value to the business, when coupled with their own management style. This refers us to the need to expand studies that seek to understand this phenomenon. Apparently, these reflections may open perspectives for new studies concerning this topic.

Because it is a survey carried out with a limited sample of companies that are service providers, allocated in a given region, the expansion of this study is very important. We suggest an increase in the number of enterprises and opening to other regions, as well as searching for other types of leadership behaviors of entrepreneurs, striving to identify adhesions in the dimensions of EO.

The importance of this type of research can contribute to MSEs in the socioeconomic sphere, as well as provide growth to perpetuate themselves in a highly competitive and unstable market. On the other hand, there is need for entrepreneurial leaders to align their leadership styles to take action proactively and open autonomous and innovative paths to employees, in order to add value to business and to the environment and, consequently, bring greater returns to the enterprise.

REFERENCES


Entrepreneurial Leaders and the Dissemination of Entrepreneurial Orientation


