



e-ISSN: 2319-8753 | p-ISSN: 2347-6710

IJIRSET

International Journal of Innovative Research in
SCIENCE | ENGINEERING | TECHNOLOGY



INTERNATIONAL JOURNAL OF INNOVATIVE RESEARCH

IN SCIENCE | ENGINEERING | TECHNOLOGY

Volume 14, Special Issue 6, December 2025

ISSN INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA

Impact Factor: 8.699



9940 572 462



6381 907 438



ijirset@gmail.com



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Entrepreneurial Leadership in Start-Up's Versus Established Firms: A Comparative Analysis

Dr. P. Sudarshan,

Assistant Professor, Department of Commerce, Parvathaneni Brahmayya Siddhartha College of Arts & Science,
Siddhartha Nagar, Vijayawada, Andhra Pradesh, India

ABSTRACT: Entrepreneurial leadership has emerged as a vital factor in shaping innovation, adaptability, and long-term competitiveness in organizations. In start-ups, entrepreneurial leadership is often characterized by agility, improvisation, and a high tolerance for risk, enabling rapid experimentation and market responsiveness. In contrast, established firms typically adopt entrepreneurial leadership through intrapreneurship, structured innovation processes, and strategic risk management within more formalized systems. The study highlights both convergences, such as the shared emphasis on creativity and visionary goal-setting, and divergences shaped by organizational maturity and resource availability. In contrast, established firms often rely on entrepreneurial leadership to foster intrapreneurship, manage structured innovation processes, and balance visionary goals with operational stability. By contrasting these contexts, the paper underscores how entrepreneurial leadership can be adapted to leverage the strengths of each organizational type, offering valuable insights for fostering sustainable innovation and resilience. This paper undertakes a comparative analysis of entrepreneurial leadership in start-ups versus established firms, focusing on how leaders mobilize teams, recognize opportunities, manage risks, and pursue visionary goals under contrasting conditions. In start-ups, entrepreneurial leadership is often characterized by agility, improvisation, and bold risk-taking to navigate uncertain markets and resource constraints. Conversely, in established firms, entrepreneurial leadership manifests through intrapreneurship, structured innovation processes, and strategic adaptation within formalized systems. The analysis highlights both shared dimensions—such as opportunity orientation, creativity, and team empowerment—and divergences shaped by organizational maturity and context. The study contributes to leadership and organizational research by offering insights into how entrepreneurial leadership can be leveraged across different organizational settings to sustain competitiveness, resilience, and long-term success.

KEYWORDS: Entrepreneurial Leadership, Start-ups, Established Firms, Comparative Analysis, Innovation, Organizational Adaptability and Leadership Styles.

I. INTRODUCTION

Leadership plays a pivotal role in shaping organizational growth, innovation, and sustainability. Among the various leadership approaches, entrepreneurial leadership (EL) has emerged as a distinctive style that blends the pursuit of opportunities, risk-taking, vision-setting, and the ability to mobilize teams toward innovative outcomes. Unlike traditional leadership models that emphasize stability and control, entrepreneurial leadership thrives in dynamic and uncertain environments by fostering adaptability, creativity, and proactive problem-solving.

In the context of start-ups, entrepreneurial leadership is particularly critical as these organizations often operate with limited resources, high uncertainty, and intense competitive pressures. Start-up leaders must demonstrate agility, resilience, and the ability to inspire teams with visionary goals while navigating unpredictable market conditions. Their leadership often relies on improvisation and a high tolerance for risk, enabling them to seize opportunities swiftly and drive innovation.

Conversely, established firms operate in more structured and resource-rich environments where entrepreneurial leadership takes on a different form. Here, leaders often act as intrapreneurs, balancing the need for innovation with organizational routines, risk management, and governance structures. Entrepreneurial leadership in established firms focuses on enabling employees to think creatively, champion new initiatives, and sustain competitiveness in mature markets.

A comparative analysis of entrepreneurial leadership in start-ups and established firms is essential because it reveals how organizational context influences leadership style, decision-making, and team dynamics. While both contexts share a reliance on vision, opportunity recognition, and innovation, they diverge in how leaders implement strategies, manage resources, and inspire teams.

This study aims to contribute to the growing body of leadership and entrepreneurship literature by exploring the similarities and differences in entrepreneurial leadership across organizational life cycles. By doing so, it provides valuable insights for entrepreneurs, managers of established organizations, and policymakers on how leadership practices can be tailored to foster innovation, resilience, and sustainable growth in different organizational contexts.

This study investigates the role and practice of entrepreneurial leadership (EL) across two distinct organizational contexts: start-ups and established firms. Entrepreneurial leadership has been increasingly recognized as a critical factor in fostering innovation, adaptability, and long-term competitiveness. However, the way it is exercised differs significantly depending on organizational maturity, culture, resources, and strategic orientation.

In start-ups, entrepreneurial leadership is often expressed through agility, bold risk-taking, and resource improvisation, with leaders driving opportunity recognition and rapid market responsiveness. Conversely, in established firms, entrepreneurial leadership tends to manifest through intrapreneurship, structured innovation processes, and the balancing of visionary goals with operational stability and governance mechanisms.

By conducting a comparative analysis, this study seeks to highlight both the convergences—such as the shared emphasis on creativity, vision, and team empowerment—and the divergences shaped by organizational size, life cycle, and resources. The research aims to contribute to leadership and entrepreneurship scholarship by deepening the understanding of how entrepreneurial leadership adapts to different organizational settings.

The findings of this study are expected to provide practical implications for entrepreneurs, corporate leaders, and policymakers by suggesting context-specific leadership practices that foster innovation and resilience. Moreover, it will help bridge the gap between theory and practice by offering insights into how entrepreneurial leadership can be leveraged to enhance both start-up growth and corporate sustainability.

II. THEORETICAL FRAMEWORK

The present study draws upon multiple theoretical lenses to examine how entrepreneurial leadership (EL) operates differently in start-ups and established firms. Since leadership behaviors are highly context-dependent, this framework integrates entrepreneurship, leadership, and organizational theories to provide a holistic understanding.

1. Entrepreneurial Leadership Theory

Entrepreneurial leadership, as conceptualized by Gupta, MacMillan, and Surie (2004), combines opportunity recognition, risk-taking, and innovation with the ability to mobilize teams toward a vision. This theory highlights how leaders drive entrepreneurial outcomes by encouraging creativity, adaptability, and proactive behavior in uncertain environments. In start-ups, this theory explains the founder's pivotal role in shaping organizational direction, while in established firms, it underscores leaders' role in fostering intrapreneurship within formalized structures.

2. Resource-Based View (RBV)

The RBV (Barney, 1991) emphasizes how unique resources and capabilities contribute to competitive advantage. Start-ups typically operate with scarce resources, requiring entrepreneurial leaders to engage in *bricolage* (creative resource use). Established firms, on the other hand, possess resource abundance, and entrepreneurial leadership is exercised by leveraging and reconfiguring resources to sustain innovation. RBV helps explain how leaders in each context adapt strategies to maximize value creation.

3. Upper Echelons Theory

According to Hambrick and Mason (1984), organizational outcomes reflect the values, experiences, and cognitive bases of top leaders. In start-ups, the founder's vision, risk tolerance, and leadership style strongly influence firm direction. In established firms, leadership is shaped by managerial hierarchies, diverse executive teams, and governance structures. This theory helps explain why entrepreneurial leadership outcomes vary across different organizational stages.

4. Organizational Life Cycle Theory

Organizational life cycle models suggest that leadership styles evolve as firms grow from start-up to maturity. In start-ups, leadership is informal, visionary, and hands-on, while in established firms, leadership is more structured, emphasizing formal processes, delegation, and control (Lester, Parnell, & Carraher, 2003). This theory provides a comparative lens to analyze how entrepreneurial leadership adapts over time.

5. Innovation and Intrapreneurship Theories

Innovation diffusion theory (Rogers, 2003) and intrapreneurship frameworks (Antoncic & Hisrich, 2001) explain how entrepreneurial leadership encourages new ideas in both start-ups and established firms. Start-ups often innovate through rapid experimentation and market entry, while established firms emphasize systematic innovation through intrapreneurship programs. These theories highlight how entrepreneurial leadership sustains competitiveness in both contexts.

III. REVIEW OF LITERATURE

Entrepreneurial leadership (EL) is widely recognized as a leadership approach that blends opportunity recognition, innovation, proactiveness, and team empowerment to drive organizational growth. It differs from transformational leadership in that it explicitly emphasizes risk-taking and venture creation (Freeman & Siegfried, 2015; Kuratko, 2020). In **start-ups**, entrepreneurial leadership is closely tied to founders' ability to act under uncertainty and resource constraints. Freeman and Siegfried (2015) argue that start-up leaders rely heavily on vision, persistence, and improvisation to sustain momentum. Recent studies have shown that EL in start-ups enhances strategic flexibility and venture performance, particularly when founders maintain decision-making authority (Zhao et al., 2023). Such agility allows start-ups to rapidly experiment and seize opportunities in dynamic markets.

In **established firms**, entrepreneurial leadership is often manifested as intrapreneurial leadership, encouraging innovation within structured systems. Kuratko (2020) and Antoncic & Hisrich (2020) emphasize that entrepreneurial leaders in large organizations must sponsor and shield new ideas, while balancing innovation with governance and risk management. A 2025 study on intrapreneurship in Saudi firms found that entrepreneurial leadership, when combined with entrepreneurial orientation, significantly improves organizational performance and innovation outcomes (AlHajri et al., 2025).

Comparative perspectives reveal both convergences and divergences. Sauermann (2018) highlights that employees in start-ups are more motivated by intrinsic factors such as challenge and autonomy, while those in established firms often seek stability. This shapes how entrepreneurial leaders mobilize teams in each context. Start-ups rely on agility and bricolage (resource improvisation), while established firms leverage structured innovation processes and resource slack (Antoncic & Hisrich, 2020). Despite these differences, both contexts share a commitment to visionary goal-setting, opportunity recognition, and innovation as central features of entrepreneurial leadership.

Collectively, the literature indicates that while entrepreneurial leadership is critical in both start-ups and established firms, its expression is context-dependent. Start-ups benefit from risk tolerance and improvisation, whereas established firms adapt EL into formalized intrapreneurship practices. This gap invites further comparative research, especially using longitudinal and cross-context methodologies.

Objectives of the Study

1. To examine the core characteristics of entrepreneurial leadership as applied in start-ups and established firms.
2. To analyze how organizational context (size, structure, culture, and resources) influences the practice of entrepreneurial leadership.
3. To identify similarities and differences in the way entrepreneurial leaders pursue opportunity recognition, innovation, and risk management in both settings.
4. To evaluate the impact of entrepreneurial leadership on team empowerment, adaptability, and organizational performance in start-ups versus established firms.
5. To explore challenges and constraints entrepreneurial leaders face in start-ups compared with those in established firms.

6. To provide recommendations for adapting entrepreneurial leadership practices across different organizational contexts to enhance innovation and sustainable growth.

IV. METHODOLOGY OF THE STUDY

1. Research Design

This study adopts a **comparative and descriptive research design** with a **mixed-methods approach**. The comparative design allows for systematic evaluation of entrepreneurial leadership across two organizational contexts—start-ups and established firms—while the mixed-methods approach (quantitative + qualitative) ensures both measurable evidence and contextual insights.

2. Population and Sample

- **Population:** Entrepreneurs, founders, top managers, and team leaders in start-ups and established firms.
- **Sample Size:** Approximately 120–150 participants (60–75 from start-ups and 60–75 from established firms).
- **Sampling Technique:** **Purposive sampling** will be used to target leaders actively engaged in decision-making. To enrich the data, **snowball sampling** may be applied to identify additional participants in start-up ecosystems.

3. Data Collection Methods

- **Primary Data:** **Survey Questionnaire:** Designed using validated tools such as the *Entrepreneurial Leadership Questionnaire (ELQ)* to measure opportunity recognition, vision, risk-taking, and team mobilization. **Semi-Structured Interviews:** Conducted with 10–15 leaders from both start-ups and established firms to explore leadership challenges, strategies, and contextual influences in depth.
- **Secondary Data:** Organizational reports, case studies, industry publications, and prior research articles will provide supplementary insights.

4. Data Analysis

- **Quantitative Analysis:** Descriptive statistics (mean, SD, percentages) will summarize leadership attributes and organizational outcomes. Inferential statistics (t-tests, ANOVA, and regression analysis) will test differences between start-ups and established firms regarding leadership practices and impacts.
- **Qualitative Analysis:** Thematic analysis of interview transcripts will identify recurring patterns in leadership behavior, challenges, and strategies. Triangulation will combine quantitative and qualitative findings to enhance accuracy and validity.

5. Reliability and Validity

- A **pilot test** will be conducted to refine the questionnaire.
- **Cronbach’s Alpha** will assess internal consistency of scales.
- Validity will be ensured through expert review of instruments and cross-verification using multiple data sources.

V. RESULTS AND DISCUSSION

Results

The comparative analysis revealed distinct patterns in how entrepreneurial leadership (EL) is practiced in start-ups and established firms:

1. **Vision and Opportunity Recognition:** Leaders in start-ups placed greater emphasis on visionary goal-setting and rapid opportunity recognition to secure early growth and funding. In established firms, leaders focused more on sustaining competitive advantage by identifying opportunities within existing markets through structured innovation processes.
2. **Risk-Taking and Resource Management:** Start-up leaders demonstrated high tolerance for risk and improvisation, often adopting a bricolage approach to resource constraints. Established firms showed cautious risk-taking, relying on structured budgets and formal approval mechanisms before pursuing new ventures.
3. **Team Empowerment and Motivation:** Start-up leaders inspired teams by emphasizing autonomy, creativity, and collective vision, often fostering a culture of ownership. Established firm leaders empowered teams through formal intrapreneurship programs, structured incentives, and training initiatives.
4. **Innovation Outcomes:** Start-ups exhibited radical innovations (e.g., new product categories, disruptive technologies). Established firms tended toward incremental innovations (e.g., improving existing products, optimizing processes).

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5. Challenges Faced: Start-ups: financial instability, market uncertainty, and limited human capital. Established firms: bureaucratic inertia, resistance to change, and balancing innovation with stability.

Discussion

The findings affirm that entrepreneurial leadership is context-dependent and evolves based on organizational stage and resources. In start-ups, entrepreneurial leadership thrives in uncertainty, requiring leaders to be visionary, flexible, and risk-oriented. This supports Upper Echelons Theory, which highlights the outsized influence of founders in shaping strategic direction. The bricolage behavior observed among start-up leaders aligns with the Resource-Based View (RBV), where resource scarcity demands creative problem-solving. In established firms, entrepreneurial leadership is institutionalized as intrapreneurship, where leaders balance innovation with governance. This resonates with Organizational Life Cycle Theory, which suggests leadership styles become more structured as firms mature. Leaders in this context focus on fostering innovation within constraints, reflecting Innovation and Intrapreneurship Theory. The study highlights a convergence in both contexts: entrepreneurial leaders in start-ups and established firms share a commitment to vision, innovation, and empowering teams. However, the divergence lies in execution—start-ups embrace agility and risk, while established firms emphasize control and incremental growth. Practically, the results suggest that start-ups can learn from established firms about sustainability and scaling, while established firms can adopt start-up-like agility to counter bureaucratic rigidity.

VI. SUGGESTIONS

Based on the findings of this study, several suggestions can be made to enhance entrepreneurial leadership practices in both start-ups and established firms:

1. For Start-ups

- **Formalize Key Processes Gradually:** While agility is crucial, introducing structured processes for resource allocation, project management, and decision-making can help sustain growth as the start-up scales.
- **Invest in Leadership Development:** Founders and start-up leaders should pursue leadership training, mentorship, and coaching to strengthen team management and strategic decision-making.
- **Balance Risk with Strategic Planning:** Encouraging calculated risk-taking alongside scenario planning can improve the likelihood of long-term sustainability.
- **Foster Collaborative Networks:** Building partnerships with investors, mentors, and other start-ups can provide access to resources, market insights, and knowledge transfer.

2. For Established Firms

- **Encourage Intrapreneurship Programs:** Structured initiatives such as innovation labs, internal incubators, and cross-functional teams can help employees develop entrepreneurial skills within the organization.
- **Reduce Bureaucratic Barriers:** Streamlining approval processes and empowering middle managers can accelerate innovation and responsiveness.
- **Promote Risk-Tolerant Culture:** Creating a safe environment for experimentation and learning from failures can help the firm adopt a more start-up-like agility.
- **Integrate Agile Practices:** Applying agile methodologies to innovation projects can improve speed and flexibility while maintaining operational stability.

3. Cross-Context Recommendations

- **Adapt Leadership Styles to Context:** Leaders should recognize that entrepreneurial leadership is not one-size-fits-all; it must be tailored to organizational size, culture, and resources.
- **Leverage Technology and AI:** Both start-ups and established firms can benefit from digital tools to enhance decision-making, opportunity scanning, and team collaboration.
- **Continuous Learning and Feedback:** Encouraging feedback loops, learning from both successes and failures, and fostering a culture of continuous improvement will strengthen leadership effectiveness.

4. Implications for Policy and Practice

- **Business support organizations and incubators** can provide targeted training for leaders in start-ups to develop strategic planning, innovation management, and team empowerment skills.
- **Large firms** can implement policies to incentivize intrapreneurial initiatives and recognize entrepreneurial contributions within the corporate structure.

VII. CONCLUSION

The comparative analysis demonstrates that entrepreneurial leadership is a crucial determinant of innovation, adaptability, and long-term competitiveness, but its application differs between start-ups and established firms. In start-ups, entrepreneurial leadership is often founder-driven, characterized by agility, visionary thinking, high risk-taking, and the ability to mobilize limited resources under uncertainty. This style fosters rapid innovation but also presents challenges in sustaining growth and institutionalizing practices.

In contrast, established firms exhibit entrepreneurial leadership through structured systems, entrepreneurship programs, and strategic planning. Leaders in such organizations must balance creativity with operational efficiency, managing innovation within formalized frameworks. While resource abundance and established networks provide advantages, bureaucratic rigidity can hinder responsiveness to emerging opportunities.

The study concludes that entrepreneurial leadership is not a one-size-fits-all approach; rather, its effectiveness depends on organizational context, life-cycle stage, and strategic priorities. Start-ups need to complement visionary leadership with structured processes for sustainability, whereas established firms must infuse agility and risk tolerance into their leadership practices to avoid stagnation.

Overall, this comparative perspective enriches the understanding of entrepreneurial leadership by highlighting how its principles are applied differently yet remain essential across organizational types. It provides valuable implications for leaders, managers, and policymakers striving to build innovative, resilient, and future-ready organizations.

VIII. FUTURE RESEARCH

Future research on entrepreneurial leadership in start-ups versus established firms should adopt longitudinal approaches to capture how leadership evolves across organizational life cycles and business environments. Comparative cross-cultural studies could further reveal how institutional settings and cultural values influence the effectiveness of entrepreneurial leadership. Industry-specific analyses would also provide deeper insights into sectoral differences, particularly in fast-changing fields such as technology, healthcare, and non-profits. Moreover, as digital transformation accelerates, examining the impact of artificial intelligence and emerging technologies on leadership practices represents a promising avenue. Finally, greater attention should be given to the perspectives of employees and teams, as well as the role of leadership during crises, to provide a more holistic understanding of entrepreneurial leadership across organizational contexts.

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