

Entrepreneurial Strategy and Creative Leadership as Drivers of Organisational Performance in Cross-Cultural Business Environments

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Abstract: This article discusses the role of entrepreneurial strategy and creative leadership in organisational performance in cross-cultural business. It explores the significance of entrepreneurial strategy in increasing innovation, opportunity identification, strategic flexibility, and competitive advantage, and explores how creative leadership can be used to boost employee engagement, collaboration, and organisational innovation. The article also evaluates the opportunities and challenges in the management of culturally diverse workforces and the importance of cultural intelligence in the achievement of sustainable performance. It concludes that the entrepreneurial strategy coupled with creative leadership can assist organisations in improving adaptability, improving organisational effectiveness, and surviving in the dynamic global business environment.

Keywords: Entrepreneurial Strategy; Creative Leadership; Cross-Cultural Business Environments

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INTRODUCTION

The high rates of globalisation and digital transformation have raised the level of competition, and organisations need to be entrepreneurial and implement creative leadership to remain sustainable in the long term. Entrepreneurial strategy helps firms to spot opportunities, promote innovation, and take proactive action in reaction to dynamic market environments, and creative leadership motivates employees to invent innovative solutions and adapt to organisational change [1]. To gain a competitive edge, organisations must also confront cultural differences, communication variations, and various managerial approaches in cross-cultural business settings [2]. Entrepreneurial strategy and creative leadership are effective in enhancing innovation, teamwork, and organisational performance in the international markets.

Thus, this article discusses the role of entrepreneurial strategy and creative leadership in organisational performance in the context of cross-cultural business relations. It first discusses the notion of entrepreneurial strategy, proceeds to creative leadership and the influence of business cross-cultural environments on it, before considering the joint influence of the two on organisational performance and finally gives recommendations to managers and future organisational practices.

Entrepreneurial Strategy in Cross-Cultural Business Environments

Entrepreneurial strategy is the capacity of a firm to spot opportunities, take calculated risks, and be innovative in a manner that enhances survival in the long run. The systematic review of corporate entrepreneurship brings the argument that the current organisational success depends on entrepreneurial behaviour, but it does not offer a single



Figure 1: Cross Culture Management [3]
(Source: [3])



Figure 2: The Impact of Leadership Styles on Organisational Performance
(Source: [7])

universal model; rather, the literature is fragmented in terms of antecedents, processes, and consequences [4]. Entrepreneurial strategy cannot consequently be viewed as a straightforward recipe for innovation; it is worth is entwined with its ability to interplay with organisational capabilities and external environments [3]. This alignment is even harder in a cross-cultural setting because strategic decisions must work within the other norms, patterns of communication, and market expectations.

The key components are innovation, opportunity recognition, risk-taking, and strategic flexibility. Indications indicate that entrepreneurial leadership has the capacity to arouse creativity since the leaders imitate opportunity-seeking behaviour and promote creativity in problem solving. In a study of Chinese firms, entrepreneurial leadership was positively correlated with employee and team creativity, but not dependent on leadership, but rather on creative self-efficacy and team creative efficacy [5]. Performance cannot be created through strategy since it is termed an entrepreneurial strategy. It is effective when workers feel that they are able to be creative and when the organisation is in favour of experimentation.

The evidence of entrepreneurial strategy is dependent on context to increase competitive advantage, growth, and sustainability. This is because, as seen by the OECD, [6], the productivity gap between firms is large and lasting, implying that strategy can indeed play a significant role, but only a sub-population of firms can translate ambition into performance gains. The entrepreneurship approach is therefore optimal where it is backed by capability,

administrative skills, and systems that cut across the board. Without the same, the risk-taking will introduce more uncertainty than performance.

Creative Leadership as a Driver of Organisational Performance

Creative leadership is a leadership that encourages innovative thought, exploration, and problem-solving. The related study on authentic and transformational leadership shows that the leadership models that help to foster autonomy and trust are associated with higher creativity and performance outcomes [7]. The literature is not homogeneous because there are studies that exhibit direct effects and those studies that exhibit indirect effects through motivation, efficacy, or employee confidence. This means that creative leadership is better characterised as a facilitator of creative situations as opposed to a generator of creativity.

In various workforces, creative leadership proves to be very useful as it has the ability to convert differences into collaboration. The OECD, [6] argues that diversity in managers (cultural diversity) is positively related to the productivity of the firm. This benefit, however, is not equally distributed: the same OECD, [6] study finds that the presence of cultural diversity among employees is not correlated with productivity as much as the presence of cultural diversity among managers, which suggests that the quality of leadership is the key to the difference between diversity as an asset and diversity as a drag.

Creative leadership is prone to increase employee engagement, innovation, and problem-solving, although not necessarily. Experiments indicate that creativity is empowered by leadership that gathers confidence, support, and sharing of knowledge [9]. What is worth considering is that creativity is ineffective without trust because employees who fear making mistakes or being marginalised make creative leadership a mere show but not a working show.

Cross-Cultural Business Environments and Organisational Performance

Cross-cultural business settings entail dealing with individuals who have diverse languages, values, and expectations in the workplace. This kind of diversity can lead to increased flexibility and market understanding but at the cost of increased coordination costs. The proponent of productivity, the OECD, [6], also gives evidence to support the attitude that cultural diversity can enhance performance, especially in management groups, where it is associated with higher productivity.

Common in cross-cultural teams are differences in communication style, differences in attitude to work, and coordination problems. Researchers, in a cross-cultural team venture study, found that such obstacles are quite common, but dynamic coordination processes can alleviate them [3]. This provides a definite contrast in the literature: diversity can enhance innovation and productivity, but it can also disrupt performance if leaders do not manage to overcome cultural barriers.

Entrepreneurial strategy creates the opportunity, which is transformed into collective action by creative leadership. Managers of multinational settings often need to adjust to cultural settings, rather than adopting one style [10]. This means that the three functions (strategy, leadership, and cultural intelligence) work best together in improving the performance of the organisation.

DISCUSSION

The reviewed literature suggests that the contribution of the entrepreneurial strategy and creative leadership to organisational performance is not universal and automatic. Tsai, [10] further asserts that entrepreneurial strategy enhances innovation, competitive advantage, and organisational development by enabling organisations to realise and exploit new opportunities. Their systematic review, on the other hand, also acknowledges that most of the entrepreneurial projects fail due to the lack of sufficient managerial resource capabilities, strategic resources, or enabling organisational cultures in the organisations. Similarly, Cai *et al.*, [5] discovered that entrepreneurial leadership has a positive impact on employee creativity, and this effect is mediated by employee creative self-efficacy and team creative efficacy, as opposed to leadership behaviour. These results contradict previous beliefs that leadership positively impacts organisational performance.

Moreover, the OECD, [6] records that culturally diverse organisations are more productive and innovative overall; diversity by itself will not result in improved performance unless supplemented with good leadership, cultural intelligence and inclusive management practices. These opposing results indicate that entrepreneurial strategy, creative leadership, and cross-cultural diversity are to be considered as complementary factors as opposed to independent ones. Consequently, entrepreneurial thinking combined with creative, culturally adaptive leadership needs to be incorporated into organisations working in international markets to maximise innovation, enhance collaboration, and ensure sustainable organisation.

CONCLUSION

The strategic entrepreneurial approach and visionary leadership work together to enhance organisational performance by raising the level of innovation, flexibility, and competitiveness in cross-cultural business environments. According to the literature, entrepreneurial strategy assists firms in exploiting new opportunities as compared to creative leadership, where collaboration and employee involvement are encouraged.

However, none of these approaches are effective by themselves, but organisational capabilities, cultural intelligence, as well as favourable leadership. Consequently, the use of strategic entrepreneurship and culturally responsive leadership in organisations should be integrated into the global market to ensure cross-cultural barriers are overcome and sustainable competitive advantage is achieved. This is essential in achieving organisational resiliency, innovation, and high performance in the long run in a more interconnected global economy.

Recommendations

Organisational establishments are recommended to put in place entrepreneurial skills at all levels of the organisation, as it is thought that innovation is more sustainable when distributed throughout the organisation rather than being concentrated in the top managers [6]. The leadership development programmes should be based on innovative and culturally adaptive leadership since studies have shown that there is a variance in leadership performance across cultures [5]. Firms should also invest in cultural intelligence initiatives in order to reduce barriers to communication and maximise teamwork within multinational teams [6]. Also, organisations should encourage the inculcation of inclusive cultures that encourage the sharing of knowledge and risk-taking, and regular review of strategic outcomes. This dynamic strategy assists companies in fitting into the changing global markets and sustaining long-term organisational performance [4].

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