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Impact of leadership role perspective on conflict resolution styles - a study on small and medium sized entrepreneurs of Karnataka State in India

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Abstract

Perceptual studies are important because of the influence of perception on individual behavior. The behavior of an individual is known to be influenced by activation of traits like stereotypes; behavior of leaders and entrepreneurs is no exception. The leadership role perspectives of entrepreneurs play an important role in the behavior of entrepreneurs as leaders of organizations. One of the important behavioral indicators of entrepreneurs is their conflict resolution styles. There is hardly any empirical research that focuses on Leadership role perspective and conflict resolution styles of an entrepreneur. The present study attempts to bridge this research gap by focusing on the relationship between two leadership role perspectives (Benevolent and Benevolent-Authoritative leadership role perspective) and conflict resolution styles (Cooperative, Competitive and Avoiding Style) of entrepreneurs who are steering small and medium enterprises (SMEs). For the study, data is collected through a self-administered online questionnaire from 238 SME entrepreneurs of Karnataka, who were selected by convenience judgmental sampling method. Descriptive statistics, Confirmatory Factor Analysis and Structural Equation Modeling were used for analyzing the data. Leadership role perspectives and conflict resolution styles were extracted using factor analysis and thereafter, tested for reliability and validity. The results indicate that the role perception of leaders has an impact on their conflict resolution styles. The study is relevant today because entrepreneurs'/leaders' conflict resolution style is a major concern in SMEs due to its importance in problem-solving as well as motivating and retaining employees.

Keywords: Leadership roles; Leadership role perspectives; Entrepreneurs; Conflict resolution styles

Background

The increasingly important and prominent role played by small and medium sized enterprises towards the growth and employment of a Nation lead a new shift from managerial to an entrepreneurial economy (Drucker, 1985). Indian scenario is no different, where the Small and Medium Enterprises (SME) contribute to 95% of industrial units, 45% of the industrial output and 40% of India's exports. This sector employs 60 million people, becoming the second largest employment generator in India after agriculture sector. More than 30 million SMEs in India contribute 10% to India's GDP and the sector is growing strongly at a growth rate of 8% per year (EISBC, 2010). Of these 30

million SMEs, Karnataka state hosts more than 3,080,000 units that are employing around 2,200,000 people (Digital India 2010).

SME sector being the second largest employment generator, it is highly desirable that organizations in this sector are successful. The success and failure of each organization is based on the employees' performance and this depends on how a leader manages different situations. The leaders' way of managing different situations reflects in their overt behavior and as previous studies show, perception has a direct and pervasive impact on overt behavior (Bargh et al. 1996).

In small and medium enterprises the behavior of the founder-entrepreneur is highly influential in shaping organization culture, which emerges from the vision of this one individual - the founder-entrepreneur. As the impact of SME entrepreneurs is so prominent on the enterprise, a study on the perception of entrepreneurs and its impact on organizational behavior can give new insights to theory.

Entrepreneurs' role in satisfying and developing the employees and a team is very important as employees are the key success factors of an organization. In Small and Medium Enterprises, entrepreneurs are the leaders and their role as a guide, mentor and counselor is very important in improving the performance of the organization. This means, the amount of effort a leader/ entrepreneur takes to satisfy its stakeholders (employees, Governmental agencies, suppliers, customers/clients and other stake holders in the business) will be based on his/her interaction with others. These interactions sometimes may end up in differences in opinion/conflicts. In such situations entrepreneurs are forced to play a direct or indirect role to ensure the outcome of the business interaction is not negative. Even though the intention of all the entrepreneurs are similar (Entrepreneurial success), the ways and means of achieving it is different.

As Longfellow (1855) said, "All your strength is in union, All your danger is in discord; Therefore be at peace henceforward, And as brothers live together", the greatest challenge faced by an entrepreneur is the conflicts in the organization. These conflicts can be within the organization involving employees or outside the organization, involving vendors/suppliers, customers/clients, government organizations and entities (Katz, 1964; Toms, 2006; Bartolome, 2012; Collewaert, & Fassin, 2013; Narayandas & Rangan, 2004). Organizational conflicts can be related to the task or relationship (Jose et. al 2005). When faced with different types of conflicts with different sets of people, an entrepreneur deals with it differently (Kaur, 2012).

Decades of research has revealed that individuals have distinct ways of managing their conflicts. Though research has indicated variety of conflict management styles, the conflict literature comes together on a broad distinction between three conflict management styles: *cooperation*, *competition*, and *avoidance* (Deutsch, 1949; Blake & Mouton, 1964; Pruitt & Rubin, 1986; Rahim & Magner, 1995; Lovelace et al., 2001; Chen et al. 2005).

However, many researchers have proposed that flexibility in conflict resolution style is desirable for effectively dealing with conflicts. The Hersey-Blanchard Situational leadership theory states that instead of using only one style, successful leaders change their leadership styles based on the maturity of the people they are leading and the details of the task. According to this theory, one among the four main leadership styles is 'participating', where leaders focus more on the relationship and less on direction. The other 3 styles used by leaders are Telling, Selling and Delegating (Hersey & Blanchard, 1977).

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The entrepreneurs/leaders use different leadership styles, which are characterized based on amount of task behavior and relationship behavior they exhibit to their employees. Along with the situation, there are other factors which influence the leadership styles of individuals; their age, gender, business performance, personality and not the least, society and culture.

In Collective cultures, especially in a country like India, paternal style of leadership is very much prevalent. Here the entrepreneurs/leaders see themselves as heads of the family, caring and responsible for the wellness of their employees. In discharging their duties, they adopt benevolent, authoritative and benevolent-authoritative style in managing their organizations depending on the situations. Previous studies show that perception has a direct and pervasive impact on overt behavior (Bargh et al. 1996). When faced with conflicts, entrepreneurs' conflict resolution behavior/style of resolving conflicts, depends on their leadership role perception. Therefore the present study focuses on two objectives:

1. To identify dimensions of leadership role perspective and conflict resolution styles of entrepreneurs.
2. To determine whether the leadership role perspective of SME entrepreneurs impacts their conflict resolution styles.

Literature review

Entrepreneur as a leader

An entrepreneur plays different roles, which are reflected in different approaches to describe entrepreneurship. Stemming from these descriptions are Schools of thoughts on entrepreneurship; Risk-taking School (Knight, 1921), Capitalist School (Marshall, 1961), Management School (Say, 1845; Marshall, 1961), Arbitration School (Kirzner, 1979) and Innovation School (Schumpeter, 1942). These different thoughts are proposed by researchers. However, when it comes to the Society's description of entrepreneurs, the most suitable school of thought is that an entrepreneur is a leader. According to this school of thought, Entrepreneurs are leaders of people; they have the ability to adapt their style to the needs of people. An entrepreneur accomplishes his/her goals with the help of others by motivating, directing and leading them. This style is reflected highly in the early growth and maturity stage of business development (Cunningham & Lischeron, 1991).

A prevalent perspective of entrepreneurs as leaders is related to how they make the people accomplish tasks and how they respond to these people/employees' needs (Hemphill, 1959). Entrepreneurs, being at the helm of resource utilization have to lead people towards achieving business targets. They can achieve this by defining an achievable vision, attracting people to believe in that vision and work towards transforming it into reality (Kao, 1989). An entrepreneur is believed to use strategic management and leadership techniques to align resources for creating value and wealth (Hitt et al. 2011).

Alongside directing the people to achieve target, existing research indicates the implied requirement for leaders to be effective in developing and mentoring people (Levinson et al., 1978). Mentoring is increasingly been recognized as a tool used by leaders to improve people/employees' work-life and organizational effectiveness. In small and medium sized, firms, an entrepreneur takes up the role of a mentor naturally. Because of this, the entrepreneur is not just a manager, but a leader of people (Carsrud et al. 1986).

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Stevenson et al. (1989) argued that entrepreneurship is an approach to management. Research also indicates that if employees in newer, small organizations view their founder/entrepreneur as an authentic leader, it can have a positive impact on their work-related attitudes and happiness (Jensen & Luthans, 2006).

To summarize, both management and leadership skills play important roles in determining the growth rate of a small and medium size businesses.

Organizational conflicts

Over the years, Conflicts are been defined differently by researchers, academicians and industry practitioners. The earliest definitions show the negative perspective associated with conflict. Conflicts were defined as antagonistic struggles (Coser, 1956), breakdown in the standard mechanisms of decision making (March & Simon, 1958), breaches in normally expected behavior (Beals & Siegel, 1966), threat to cooperation (Marek, 1966), a gradual escalation to a state of disorder (Pondy, 1967), etc.

Since early 1970s, some researchers have expressed a neutral view of conflict; Schmidt & Kochan (1972) defined conflict as an overt behavior arising out of a process in which one unit seeks the advancement of its own interests in its relationship with the others; Roloff (1987) defines conflict situations as situations when members engage in activities that are incompatible with those of colleagues within their network, members of other collectivities, or unaffiliated individuals who utilize the services or products of the organization; Barki & Hartwick (2004) defines conflict as a dynamic process that occurs between interdependent parties as they experience negative emotional reactions to perceived disagreements and interference with the attainment of their goals.

A survey by CIPD (2008), finds that on average HR professionals spend 3–4 hours every week managing conflict at work. In SMEs, most of the times, the entrepreneurs themselves act as HR professionals. These conflicts if unattended, will affect the business in terms of productivity, animosity, employee turnover, lowered motivation, etc.

According to the CIPD survey, the most commonly cited cause of conflict is warring egos and personality clashes leading to interpersonal strain, followed by poor leadership from the top.

If conflicts are handled appropriately, it will result in reduced number of disciplinary and grievance cases. For handling conflicts, one has to exhibit few competencies. Important among them are: monitoring team relationships and managing the individual, dealing with issues, participative approach, integrity and acting as role model (CIPD, 2008).

The interpersonal conflict in organizations can be classified into two types – Relationship conflict and Task conflict (Jehn, 1995). In the available literature on these two types of conflicts, Relationship conflict are often referred to as incompatibilities, disagreements and frictions among group members over individual/personal issues that are not related to the task being performed by them in the organization. Whereas, Task conflicts are referred to as the incompatibilities, disagreements and frictions among group members in an organization regarding the content and solutions of the tasks that are being performed.

There is consistency and agreement in the existing literature on the outcome of relationship conflict in an organization. Almost every available literature indicates a negative/dysfunctional consequence of relationship conflict (Amason, 1996: Jehn, 1997; De Dreu &

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van Vianen, 2001). However, the consequence of task conflict is found to be functional/positive in few literatures and dysfunctional in others. Amason and Jehn respectively found that the outcome of task conflict can be functional or dysfunctional depending on the circumstances.

Conflict resolution styles

Though research has indicated variety of conflict resolution styles, the conflict literature comes together on a broad distinction between three conflict resolution styles: *cooperation*, *competition*, and *avoidance* (Deutsch, 1949; Blake & Mouton, 1964; Pruitt & Rubin, 1986; Rahim & Magner, 1995; Lovelace et al., 2001; De Church & Marks, 2001; De Dreu & van Vianen, 2001; Weingart & Olekalns, 2004; Chen et al. 2005).

Considerable research indicates that entrepreneurs as a group share various attitudes, traits or behaviors. The behaviors and characteristics of entrepreneurs have been studied in both theoretical and empirical works. The findings of these studies have highlighted few characteristics of entrepreneurs which may influence their approach towards conflict situations in their organizations. Mainly, willingness to take risk (Brockhaus, 1980 & Stevenson & Gumpert, 1985), internal locus of control (Brockhaus, 1982), need for achievement (McClelland, 1961), sense of loneliness (Boyd & Gumpert 1983), need for control and tendency to distrust others (Kets de Vries, 1985).

Rahim (1983) developed a model for categorizing conflict handling styles based on concern for self and concern for others. This conceptualization was drawn from the work of Blake and Mouton (1964) and from the subsequent 1976 extension of the construct by Thomas (Rahim & Magner, 1995). The Rahim construct identifies five conflict handling styles: Integrating, Obliging, Dominating, Compromising and Avoiding (Rahim and Magner, 1995).

Though the integrating styles is generally considered to be the style with the highest probability for gaining positive results (Rahim, 1983), recent studies form a ground for the argument that each of the conflict handling styles can be appropriate for particular situations (Rahim, 1992).

Several researchers have drawn conclusions that suggest links between entrepreneurial status and dominating style of conflict resolution. Kets De Vries (1985) argued that the entrepreneur is driven by a need for control in interpersonal interactions and does not deal well with organizational subordinates who challenge the entrepreneur's ideas. Collins and Moore (1964) determined that the entrepreneurs they studied had a strong need for domination and could be patronizing in their dealings with their employees.

Kaushal and Catherine (2006) indicated the influence of culture on conflict management and resolution behaviors that individualism and collectivism did indeed influenced a person's style of conflict resolution behavior.

Leadership roles, leadership role perspectives and leadership styles

Leadership practices and styles influence the employees' satisfaction, performance and commitment to the organization significantly. The importance of leadership is recognized in research in various literatures available on leadership styles, leadership roles and leadership behavior. This research focuses on leadership role perspectives of SME entrepreneurs.

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Perspective is defined as a particular attitude towards or way of regarding something; a point of view. Leadership styles of an individual is described and labeled based on how he/she assume the role of a leader. When it comes to the leaders' organizational roles, the way leaders see and take their roles (Role perspectives) will be reflected in the way they behave and deal with different stakeholders in different situations. There are many theories and models suggested by academicians, researchers and management practitioners, either in the form of Leadership styles or in the form of Leadership Roles.

Early literature on leadership behavior identified 3 major leadership role behaviors – Task, People or Social and Participative role (Bales & Slater, 1955; Lippitt & White, 1958; Vroom & Yetton, 1973; Yukl, 1989).

Besides this classical wisdom on leadership roles, in a landmark research on leadership styles, Rensis Likert (1967), identified exploitive-authoritative, benevolent-authoritative, consultative and participative styles of leadership, as 4 styles of leadership.

Leadership role perspective and conflict resolution styles of entrepreneurs in Indian culture

Different cultural groups may have different perspectives on leadership (Hofstede, 1983; Bass, 1990). Leadership Categorization Theory (Lord & Maher, 1991) states that "everyone has an implicit idea of what leaders look, act, and behave like. These ideas are rooted in people's early experiences with leaders and are shaped by one's culture and upbringing". Culture and upbringing have an impact on people's perspective of good leadership and this serves as a benchmark for them when they take up leadership. It is noted that power of the parties in conflict (Drory & Ritov, 1997) and conflict culture (De Dreu et al. 2004) influences the conflict management strategies.

A landmark long-term study in this area, GLOBE study on leadership effectiveness and culture is directed toward the development of systematic knowledge concerning how societal and organizational cultures affect leadership and organizational practices.

According to the findings of this study, Indian Leaders' charisma, team-orientation, participative nature and humane-orientation has contributed to their outstanding leadership but not self –protective and autonomous approach, which have inhibited outstanding leadership (CCL, 2012).

Team-oriented leadership is also universally seen as important. Other leadership aspects that are universally endorsed include being excellence oriented, decisive, intelligent, and a win–win problem solver. According to Bass (1997) preference for transformational leadership is found across a wide range of cultures. Impediments to outstanding leadership include being a loner, being non-cooperative, ruthless, non-explicit, irritable, and dictatorial.

Bersin (2012) finds that successful leaders in developed economies are different from successful leaders in emerging economies. His research shows clearly that emerging market leaders (India, China in particular) have a very strong focus and skill-set on operational execution.

Aycan (2000) popularized the Paternalistic leadership, a characteristic of traditional Eastern culture prevalent in India, China, Korea and Japan.

Most of the studies on the culture in Indian organizations agree on the preference on employees for a personalized and dependent relationship with their leaders. These studies also found that nurturing-task (benevolent-authoritative) leaders to be more

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effective in achieving the Organizational task objectives (Sinha, 1980; Hassan, 1985; Ansari, 1986; Pandey & Singh, 1987).

In the recent decades, authors have identified growing importance of charismatic leadership/transformational leadership styles in Indian organizations. They found charismatic/transformational leadership role as proactive and entrepreneurial in nature, which is essential in a developing country like India for institution creation and building.

Singh & Bhandarkar (1990) studied transformational leadership styles and value profiles of leaders in Indian Organizations from both the leaders' (self) perceptions and their followers' perception, taking the Indian Socio-cultural context of Karta Role in a Kutumb (family).

Indian culture is characterized by hierarchical joint family, headed by the senior most man of the family, 'Karta'. Because of his seniority, age and experience, he is respected, feared and loved by the family. Karta, on his part, being the father figure, is caring, nurturing and dependable, at the same time, sacrificing, demanding, authoritative and strict disciplinarian (Sinha, 1995). He is equivalent of Paternalistic leader in Chinese leadership literature, exhibiting Benevolence, Authoritarianism and Morality (Farh & Cheng 2000). Further, Karla (2002), proposed 3 kinds of Kartas, reflecting 3 dimensions of leadership style: 1. Benevolent or Consultative Karta: Described as caring and loving, commanding respect, involved, consulting, awe-inspiring, encouraging, paternalistic and supportive, normative &/or moderately prescriptive, who maintains moderate distance but are friendly. 2. Benevolent-authoritative or Parental Karta: Characterized with conditional caring & patronizing, who expects respect, obedience, who is fear inspiring, prescriptive, task-oriented and who maintains distance. 3. Authoritative Karta: Described as autocratic, who demands respect, orders/directs, keeps distance, feudalistic, who is fear inspiring and terrorizing.

Much has been written recently by both management thinkers and other observers about the uniquely Indian characteristics of successful business leaders operating in India. These characteristics include a commitment to inclusive growth (Jain, 2013).

There is a general agreement among experts that socio-cultural influence on the personality and general behaviour of people in India is very strong. In a study of Indian business leaders conducted by Wharton (2007), many of the business leaders emphasized the significance of organization's underlying values in creating the vision for a company. They also indicated that the vision in turn should energize and excite the company's employees. When asked to choose their role in their organization they chose "Chief input for business strategy", "Keeper of organizational culture" and "Guide or teacher for employees" as the top three.

Apart from seeing themselves as contributors and guardians, Indian Leaders consider themselves to be flexible to meet the requirements of their employees. This is reflected in Subhash Chandra's words. The chairman of Zee Entertainment Enterprises believes that Indian leaders are "more flexible" than those in the U.S. when he says that Indian leaders can match their level of thinking as good with a truck driver as with that of a head of the state if required and then deal with them at that level (Wharton, 2007).

This opinion was reflected in a study conducted by Cappelli et al. (2010), wherein he found out the Indian leaders incline their focus heavily on internal issues - on people management, motivating employees etc., whereas, the U.S. CEOs focus on shareholder issues.

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Cappelli et al. (2010), in a research conducted to discover how Indian leaders drive their organizations to high performance found that Indian leaders attribute their companies' success to the people, not to the entrepreneur's strategy or efforts of a top team.

Such research findings suggest that Indian leaders are affiliative leaders, who create emotional bonds and harmony. According to Goleman (2000), "Coercive leaders demand immediate compliance. Authoritative leaders mobilize people towards a vision. Affiliative leaders create emotional bonds and harmony. Democratic leaders build consensus through participation. Pacesetting leaders expect excellence and self-direction. And coaching leaders develop people for the future. However, leaders who get the best results don't rely on just one leadership style; they use most of the styles in any given week". Fiedler (1966) also proposed in his research that leaders should adjust their leadership styles based on the situation.

In recent studies conducted to find the relationship between leadership styles and conflict resolution styles emphasized that a strong relationship existed between the two (Kazimoto, 2013; Saeed et al. 2014).

Theoretical background

The current study is set in the backdrop of research findings related to the influence of individuals' perception on their behavior/action. Gibson's Perception-in-action theory states that perception is a requisite property of animate action (Gibson, 1966). It is found that perception has a direct and pervasive impact on overt behavior (Bargh et al. 1996). Also, mere perception is found to affect overt behavior relatively easily (Prinz, 1990). Perception creates action and there is an express connection between perceptual input and behavioral output (Dijksterhuis & Bargh, UD).

For leaders, their leadership styles are related to their power perception (Blanchard & Natemeyer, 1979). Highly significant relations are found among functional behavior, social power, and leadership perceptions. And in most situations, interpersonal perceptions are based on general stereotypes rather than situation-specific criteria (Lord, 1977). This makes a good argument for considering the influence of general stereotypes of entrepreneurs and their leadership role perspectives on their behavior.

In concrete terms, we would see an aggressive act and the impulse or urge would be to act aggressively ourselves (Berkowitz, 1984). Indian culture believes in leadership role as benevolent/benevolent-authoritative. By seeing this, Indian leaders perceive that leadership style to be benevolent/benevolent-authoritative. Thus we hypothesize:

Hypotheses

H1: Entrepreneurs' Leadership Role Perspective influences their Conflict Resolution Styles

H1.a: Benevolent Role Perspective of the entrepreneur impacts Cooperative Style of Conflict Resolution.

H1.b: Benevolent Role Perspective of the entrepreneur impacts Competitive Style of Conflict Resolution.

H1.c: Benevolent Role Perspective of the entrepreneur impacts Avoiding Style of Conflict Resolution.

H1.d: Benevolent-Authoritative Role Perspective of the entrepreneur impacts Cooperative Style of Conflict Resolution.

H1.e: Benevolent-Authoritative Role Perspective of the entrepreneur impacts Competitive Style of Conflict Resolution.

H1.f: Benevolent-Authoritative Role Perspective of the entrepreneur impacts Avoiding Style of Conflict Resolution (Figure 1).

Methods

The present study is a part of a bigger study about SME entrepreneurs in Karnataka. Karnataka hosts the fifth largest number: 139640 (8.99%) of working registered MSME units in India. Out of these, 2713 fall under the SME category (MSME, 2007).

For understanding the perception of the registered SME entrepreneurs of Karnataka, we have used a self-administered online questionnaire with 29 questions/items. The questionnaire was prepared with the inputs from entrepreneurs and senior level employees (CEOs, CTOs and CFOs, who are active business heads taking major decisions in close contact with the entrepreneurs). However, the senior level employees do not form a part of the sample. Further, we validated the questionnaire with experts.

Sample for the study was selected using convenient judgmental sampling method. Link to the questionnaire was mailed to all the 478 SME entrepreneurs, collectively referred by Jt. Directors of Industry and Commerce of Karnataka, Founder of AWAKE (Association of Women Entrepreneurs of Karnataka) and President of KASSIA (Karnataka Small Scale Industries Association) and NKASSIA (North KASSIA). In the judgment of the referents, these SME entrepreneurs had access to internet and were comfortable using internet and can give good and fair insights to the study. These SME Entrepreneurs
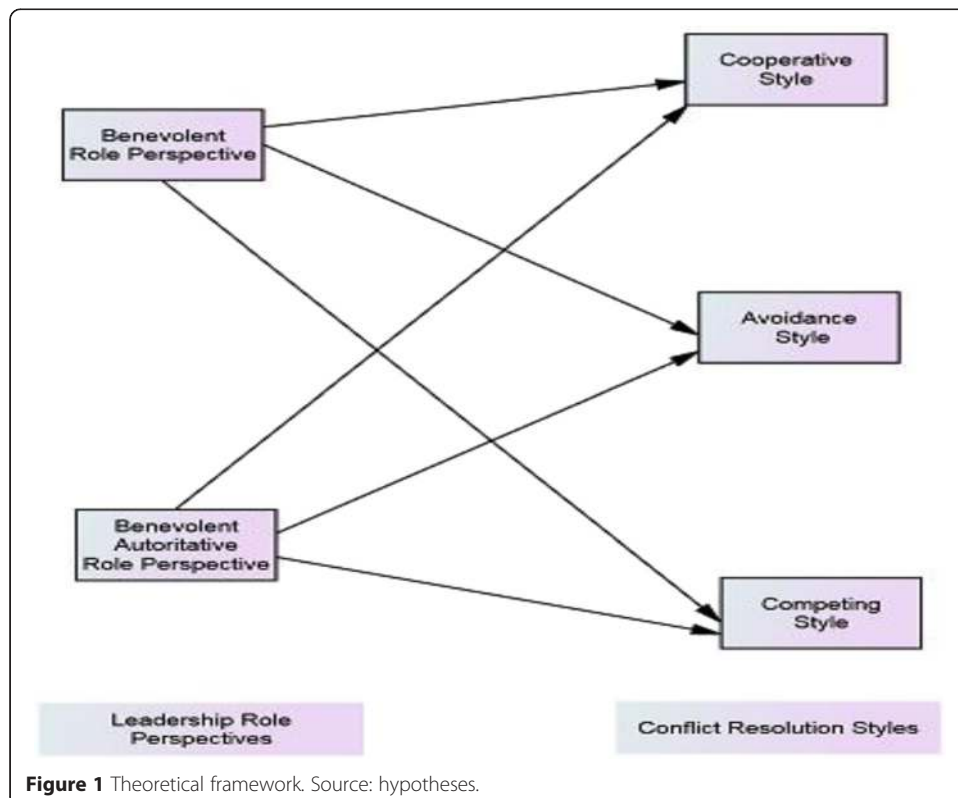

Figure 1 Theoretical framework. Source: hypotheses.

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include those operating from urban, semi-urban and rural areas. Respondents were spoken to over telephone and requested to submit their responses online. With their prior consent, the mails were sent assuring of confidentiality of the responses. A total of 238 usable responses were used in this study with a response rate of 49.8%.

Respondents' profile

The respondents considered in the study belong to different age groups, gender, entrepreneurial background, experience, industry types, industry locations and stages of business development (Table 1).

Two separate factor analyses were done for understanding the leaders' role perspectives and conflict resolution styles. For analyzing the *leader's role perspective*, 9 statements which reflect the behavioral choices of SME Entrepreneurs towards employees and external agencies were used. These statements reflect the entrepreneurs' opinion/ perspective as to what kind of leadership roles he/she performs. After the factor analysis, two factors emerged and based on the characteristics we have named the factors as Benevolent and Benevolent-Authoritative Roles which was used for the analysis. For understanding the *conflict resolution style*, 20 statements were used and identified three factors named as *Cooperative, Competitive* and *Avoiding.* Cronbach's alpha test is used for checking the reliability of these factors.

Canonical correlation was used to identify and measure the association between the dependent (cooperative, competitive and avoiding conflict resolution styles) and

Table 1 Respondents' profile

Sl. no.	Basis for categorizing	Categories	Number	% of the total
1.	Gender	Male	146	61.34
		Female	92	38.66
2.	Age (in years)	Below 30	22	09.24
		30-40	53	22.27
		40-50	97	40.76
		Above 50	66	27.73
3.	Industry type	Product-oriented	107	44.96
		Service-oriented	131	55.04
4.	Industry location	Urban	161	67.65
		Semi urban	52	21.85
		Rural	25	10.50
5.	Entrepreneurial background	First Generation	173	72.69
		Multi-Generation	65	27.31
6.	Entrepreneurial experience (in Yrs)	Less than 5	37	15.55
		5-10	53	22.27
		10-15	51	21.43
		More than 15	97	40.75
7.	Business stage	Inception	27	11.34
		Growth	129	54.20
		Consolidation	43	18.07
		Maturity	39	16.39

Source: Researchers' study.

independent variables (Benevolent and Benevolent-Authoritative leadership role perspectives). Structural Equation Modeling was used to understand the impact of leadership role on conflict resolution styles.

Results

Factor analysis was conducted to check the *leadership role perspective of entrepreneurs* and *conflict resolution styles*. Kaiser-Meyer-Olkin test was used for checking the sampling adequacy and found that the sample size is adequate for factor analysis with a KMO score of 0.803. Exploratory and confirmatory factor analyses were used in this study. Composite Reliability, Convergent validity and Discriminant Validity were also checked.

Measurement model results
Leadership role perspective

Principal component analysis with Varimax rotation was used for the analysis. 9 questions related to leadership role perspective were reduced to two factors which were denoted as Benevolent Role and Benevolent-Authoritative Role with Cronbach's alpha value of is 0.793 and 0.721.

Benevolent role perspective of entrepreneurs indicate that they saw their role as that of nurturing, caring and accommodating leader who takes care of his employees as his own family members and tries to keep them happy and conforming. This indicates a personalized and dependent relationship of employees with their leaders. Such entrepreneurs are caring, supportive and friendly in their approach, though they still maintain certain distance. Whereas, Benevolent-Authoritative role perspective of entrepreneurs as leaders indicate the characters of benevolence and also that of an authoritative figure who heads the business as a head of the family, who is responsible to drive the members with discipline and authority. Such entrepreneurs maintain good distance and certainly are task oriented. They are caring and at the same patronizing (Table 2).

Table 2 Leadership role perspective of entrepreneurs

Statements	Factor loadings	Factor	Cronbach's alpha
I treat my employees as my own family members	.780	Benevolent Role	0.793
My employees see me as a parent figure	.770		
I consider myself as a caring and protective person	.730		
I accommodate everyone concern in managing my business	.704		
Human Relations are more important than profits	.648		
I need to lead everyone around me by keeping them happy if they have to work for me	.534	Benevolent -Authoritative Role	0.721
My employees won't accept/accommodate me if I am aggressive	- 759		
My employees/clients won't accept/accommodate me if I am aggressive	-.750		
My employees may hate me if I don't meet their emotional requirements	.717		

Source: Researchers' study.

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A Confirmatory Factor Analysis was performed on AMOS for the two latent variables named benevolent leadership role perspective and benevolent authoritative leadership role perspective. In this study we were trying to ascertain if the 9 variables would load on to the two latent variables. The structural diagram obtained is as given in Figure 2.

The construct reliability was checked with the construct Composite Reliability (CR). The validity was checked by using convergent validity and discriminant validity.

The measurement model of the study provided a good overall fit with the data ($X^2(63)$, df (25), X^2/df = 2.53, p < 0.01, GFI = 0.94, NFI = 0.9, CFI = 0.93, SRMR = 0.06 and RMSEA = 0.08). A composite Reliability value for benevolent leadership role perspective (0.8) was more than 0.7, which shows high reliability. The Composite Reliability of benevolent authoritative leadership role perspective (0.62) show that reliability is less compared to the standard. The Average variance Extracted (AVE) for the construct named benevolent leadership role perspective (0.56) and benevolent authoritative leadership role perspective (0.69) were more than 0.5 (Fornell and Larcker, 1981), which explain the convergent validity. The CR value higher than AVE for benevolent leadership role perspective (0.56) shows the convergent validity. The less CR value compared to AVE for benevolent authoritative leadership role perspective shows that the convergent validity is less in this case.

According to Fornell and Larcker (1981), for discriminant validity of two constructs, each AVE estimate should be greater than the shared variance estimate. The AVE for Benevolent Role Perspective (0.56) and AVE for Benevolent Authoritative Role Perspective (0.69) were larger than the shared variance between two constructs (0.32), confirms the discriminant validity.
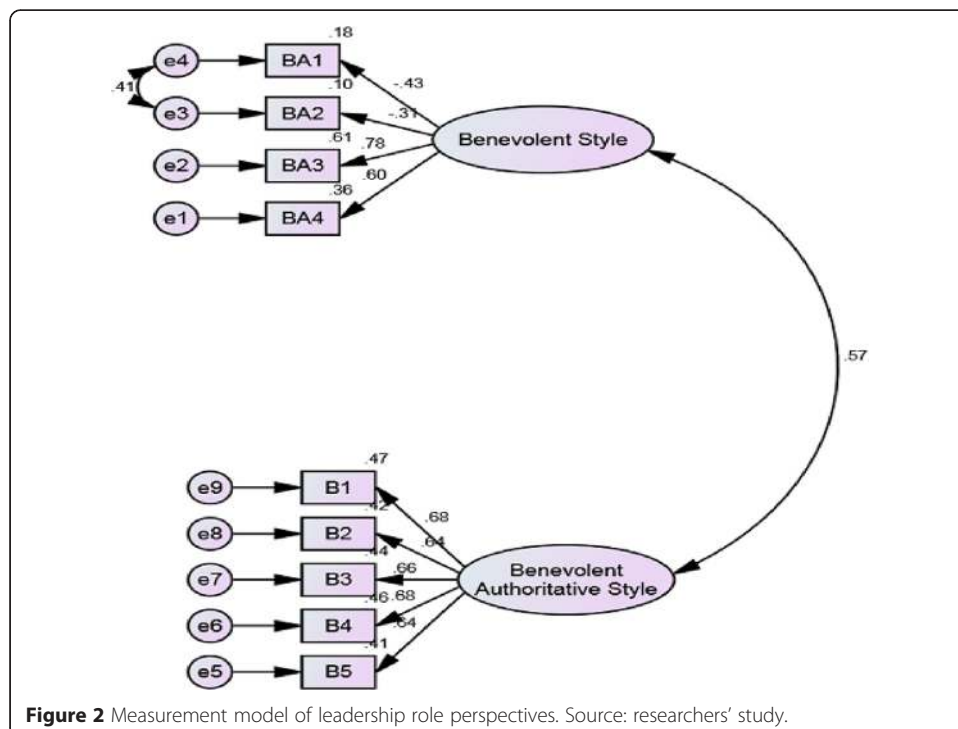

Figure 2 Measurement model of leadership role perspectives. Source: researchers' study.
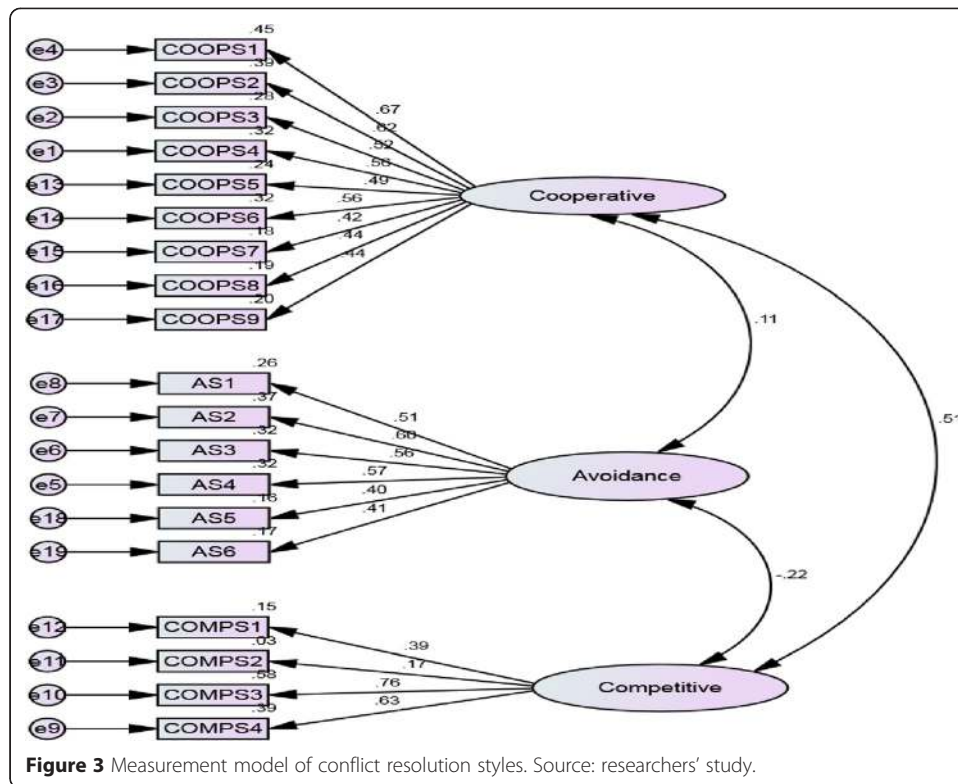
Conflicts resolution styles

Only 19 statements with a factor loading greater than or equal to 0.5 are used for this study. These three factors were named as *cooperative style, avoiding style* and *competitive style,* which had a Cronbach's alpha value of 0.77, 0.67 and 0.60 respectively (Table 3).

Cooperative style of conflict handling indicates the willingness of the entrepreneur to take into consideration the other party's views and concerns along with his/her own while resolving conflicts. This indicates equal concern for the self and the others, which is ideally, a very healthy way of resolving conflicts. Competitive style of conflict resolution indicates entrepreneurs' high concern for self and self-interests than that of others. They have high need to win against their conflicting opponent. This approach may save time involved in negotiations, but might lead to underlying unhappiness for the opponent which might further result in negative image of the competing party. Avoiding style is ideally the least preferred style of conflict resolution as the conflict is not truly resolved with this approach. Conflict is just avoided for time being. At times, it may help in settling the extreme feelings and dampen the heat of the conflict situation, but will not result in resolution as such. This style is thus to be discouraged for healthy business relationships (Figure 3).

Table 3 Conflict resolution style of entrepreneurs

Statements	Factor loadings	Factor	Cronbach's alpha
Cooperate and help them if someone else thinks they can solve the problem	0.72	Cooperative Style	0.77
Promote harmony for friendly relations	0.71		
Negotiate so that both parties will get some part of what they want	0.61		
Consult others to understand their needs and get the best results	0.59		
Encourage my group's members to identify areas of possible compromise	0.56		
Be willing to listen to other's opinion, but also want to give them mine	0.55		
I share my opinion on the conflict and discuss its nature with others	0.47		
Push for a quick resolution to ensure healthy relations	0.45		
Make slight modifications in my goals to meet other people's needs	0.45		
Stay quiet and do not contribute	0.68	Avoiding Style	0.67
Stay out of the conflict as long as it won't affect me	0.65		
Give the other group what they want, to stay popular with them	0.65		
Keep it to myself, if people don't respect my opinion	0.59		
Submit the issue to an impartial arbitrator	0.51		
Stop or divert the conflict with humor to relieve tension	0.51		
Attain excellent results and cannot be limited by others	0.78	Competitive Style	0.60
Make sure that I am the winner	0.67		
Expect areas of resistance and prepare responses before hand	0.55		
Press for the identification of shared concerns and/or goals	0.43		

Source: Researchers' study.

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Figure 3 Measurement model of conflict resolution styles. Source: researchers' study.

The measurement model of the study provided a good overall fit with the data ($X^2 = 341$, df = 149, $X^2/df = 2.29$, p < 0.01, GFI = 0.88, CFI = 0.8, SRMR = 0.08 and RMSEA = 0.07). The high CR value for cooperative style (0.78) and avoidance style (0.7) shows high reliability. The Composite Reliability value for competitive style (0.57) is slightly lesser for. The Average Variance Extracted (AVE) for cooperative style (0.72), Avoidance style (0.73) and competitive style (0.71) were more than benchmark 0.50 (Fornell and Larcker, 1981) and satisfies convergent validity. The CR is greater than AVE for cooperative style which shows the convergent validity is stronger for cooperative style. It is slightly less in the other two cases.

Discriminant validity can be established if AVE is larger than the Maximum Shared Variance (squared correlation estimate) and Average Shared Variance (Hair et al. 2010).

Table 4 shows that the condition is satisfied in all these cases and confirms sufficient discriminant validity for all constructs in this study.

Descriptive statistics

The descriptive statistics (Table 5) shows that the mean is higher for benevolent role perspective, which means many entrepreneurs strongly agree that they perceive this

Table 4 Discriminant validity for conflict resolution styles

	Maximum Shared Variance (MSV)	Average shared Variance (ASV)	Average Variance Extracted (AVE)	Discriminant validity	Discriminant validity
				Is AVE > MSV?	Is ASV < AVE?
COOPS	0.01	0.14	0.72	YES	YES
AS	0.27	0.07	0.73	YES	YES
COMPS	0.06	0.14	0.71	YES	YES

Source: Researchers' study.

Table 5 Descriptive statistics

	Mean	SD	N	Benevolent role perspective	Benevolent-authoritarian role perspective	Competing style	Cooperative style	Avoiding style
Benevolent role perspective	4.02	.70	237	1	.342**	.176**	.500**	0.102
Benevolent-authoritarian role perspective	3.42	.83	237		1	−0.072	.239**	.363**
Competing style	3.72	.68	237			1	.319**	0.001
Cooperative style	3.99	.55	237				1	.203**
Avoiding style	2.55	.72	237					1

Source: Researchers' study.
*Correlation is significant at the 0.05 level.
**Correlation is significant at the 0.01 level.

role. Among the conflict resolution styles, cooperative style has the highest mean, which means many entrepreneurs use this style. The high correlation between benevolent role and cooperative style shows entrepreneurs who follow benevolent role perspective may implement a cooperative style.

The correlation between (a) benevolent role perspective and competing style; (b) benevolent-authoritarian role perspective and cooperative style; (c) benevolent-authoritarian role perspective and avoiding style are significant.

The correlation between (a) benevolent-authoritarian role perspective and competing style; (b) benevolent role perspective and avoiding style are not significant. To understand the impact of these relationships Structural Equation Modelling is used (Table 6).

Structural model and hypotheses testing

The theoretical model is tested with Structural Equation Modelling (Figure 1) to understand the effect of *entrepreneurs' leadership role perspective on their conflict resolution styles.*

Table 6 shows that the p-value is 0.00 and the RMSEA value is less than 0.08 (Newcomb, 1994), which shows the model is a good fit. According to Hu and Bentler (1999), values as high as 0.08 for SRMR are deemed acceptable.

All other vales (GFI = 0.83, IFI = 0.8, and CFI = 0.8 and NFI = 0.7) which shows that the model is a moderate fit. From the overall result (fit indices) we can conclude that the model is a good fit for the data.

The result shows that (Figure 4) entrepreneurs who have *benevolent role perspective* follow either *cooperative style* ($\beta = 0.68$, $p < 0.001$) or *competitive style* ($\beta = 0.59$, $p < 0.001$) and shun *avoiding style* ($\beta = -0.38$, $p < 0.001$). The prominent conflict resolution style of entrepreneurs with benevolent leadership role perspective is cooperative style. The result supports the hypothesis H1a, H1b and H1c. The relationship is negative for benevolent role perspective and avoidance style.

Entrepreneurs who follow *benevolent-authoritarian role perspective* follow avoiding style ($\beta = 0.74$, $p < 0.001$) and shun *competing style* ($\beta = -0.39$ $p < 0.05$) which supports hypothesis H1e and H1f. The effect is not significant in the case of *benevolent-authoritarian role perspective and cooperative style* ($\beta = 0.01$, $p > 0.05$) which reject the hypothesis (H1d) and accept the null hypothesis.

The present study supports the hypothesis (H1) that the *leadership role perception has an impact on their conflict resolution styles.*
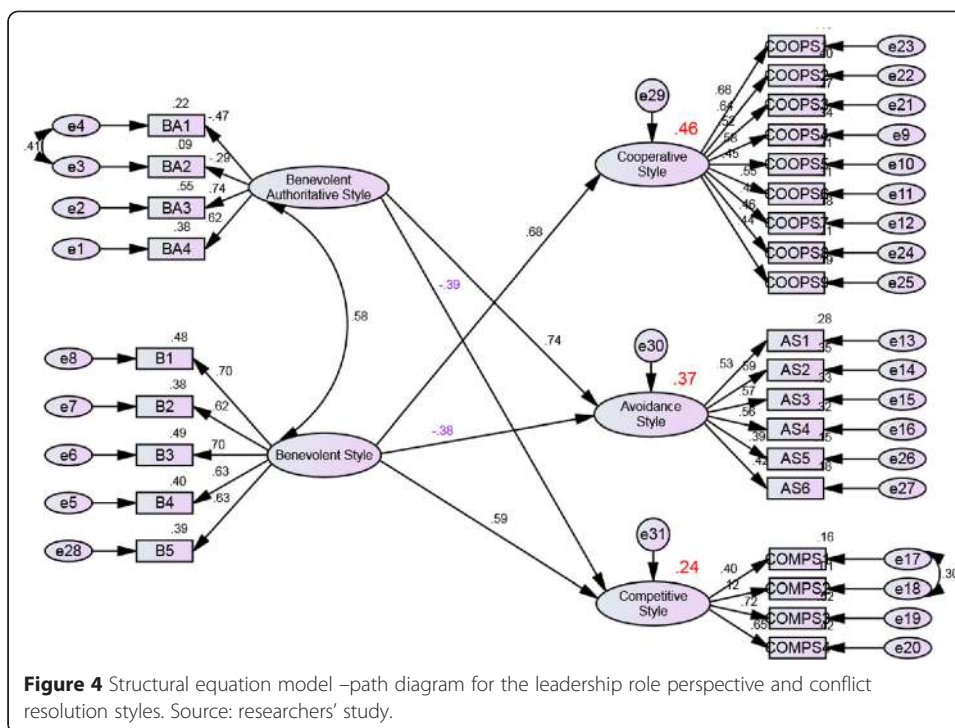
Discussion and Conclusion

Every entrepreneur is a leader. Entrepreneur leads his team of employees to align with and reach his organizational objectives. In doing so, entrepreneurs employ different leadership styles based on their perspective of leadership role. This difference is among other factors, a resultant of culture.

Table 6 Measurement values for structural equation model

X^2	Df	X^2/ df	P	GFI	IFI	NFI	CFI	SRMR	RMSEA
649	342	1.89	0.00	0.84	0.81	0.66	0.8	0.08	0.06

Source: Researchers' study.

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Figure 4 Structural equation model –path diagram for the leadership role perspective and conflict resolution styles. Source: researchers' study.

The results of the current research clearly support the hypothesis that entrepreneurs' leadership role perspective influences their conflict resolution styles. Further as proposed by Lord and Maher (1991) in Leadership Categorization theory, culture plays a major role in the formation of ideas of leaders' look, act and behavior. Hofstede's (1983) theory also emphasizes the impact of cultural dimensions in leadership perspective.

In Indian culture which is collectivistic in nature, entrepreneurs are seen and perceived as heads of family and the same influences the entrepreneurs' leadership role perspective. They perceive themselves to be benevolent and benevolent-authoritative in their role as leaders. Reflecting different characteristics of a Karta as proposed by Karla (2002), these two perspectives of the entrepreneurs is reflected in their choice of resolving conflicts.

The current research indicates that the entrepreneurs who conform to benevolent leadership role perspective prefer cooperative style of conflict resolution. They don't prefer to employ competing style of conflict resolution. However, entrepreneurs conforming to benevolent-authoritative leadership role perspective prefer avoidance style of conflict resolution and show reluctance towards using competing style of conflict resolution.

The study contributes to the scarce research in the area of SME entrepreneurship in India and its uniqueness. The finding brings to the fore, leadership role perspective of the SME entrepreneurs and its impact on their Conflict resolution styles, which are hardly been researched in Indian context. Though much is been researched on the leadership concept of managers in organizations, the findings of this study can act as base for further perceptual studies related to entrepreneurs.

The study has some limitations. We have conducted this research under limitations related to time, sampling and methodology. Due to time constraints, the sample was

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restricted and convenience sampling method was adopted which limits our ability to generalize the findings to all the entrepreneurs across India or outside India. Further research studies can employ better sampling methods.

Leadership role perspectives and conflict resolution styles were measured using validated scales constructed by us based on the literature review, interviews and expert opinion. The factors identified are validated only for the sample used in this study and within the geographical scope of this study. Factors can be validated with different sample and geographical scope.

The current research has not taken Demographic variables into account for analysis. Future research can ascertain the influence of variables such as gender, age, culture, formal training and industry type on the leadership role perspectives and conflict resolution styles of entrepreneurs.

In conclusion, the results indicate that role of perceptual behavior has an impact on the conflict resolution styles. The results conform to the perception-in-action theory.

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