

# Do Demographic Variables Make a Difference in Entrepreneurial Leadership Style?

## Case Study Amongst Micro and Small in Creative Economy Entrepreneurs in Jakarta, Indonesia

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### ABSTRACT

Industry 4.0 brings a challenge in terms of labor reduction. However, there is an opportunity in job creation for the creative industry/economy. The creative economy in Indonesia shows an increasing contribution to the Indonesian economy in recent years, and it is also predicted to continue increasing in the future. Leadership for the entrepreneur is needed to make their business entity (micro, small, medium enterprises) to survive and succeed. This research aims to find out whether there is a difference in entrepreneurial leadership style with four demographic variables (i.e., gender, age, education level, and marital status).

### KEYWORDS

Creative Economy, Demographic Variables, Entrepreneurial Leadership

### A. INTRODUCTION

The emerge of industry 4.0 bring new hope in accelerating economic growth. However, industry 4.0 also brings a challenge in job opportunity creation. Based on SWOT analysis by Digital Transformation Monitor (2017), the weakness of industry 4.0 is potential deployment at “shop-floor” level workers. This threat of the presence of industry 4.0 in reducing labor does not apply to all industry types. An industry that is not too affected in labor reducing is the creative industry because it is based on creativity, art, culture, and innovation. Bakhshi et al. (2015) said that creative occupations are more future-proof to computerization. Around 86% of workers in US and UK are found to be at low or no risk of automation since they are in a highly creative category.

In Indonesia, the creative economy shows an increasingly contribution to the Indonesian economy in recent years. Triawan Munaf, Chief of Indonesian Creative Economy Agency in Saputri (2018) said the GDP of the creative economy shows increasing figures from IDR 992 Trillion in 2016 to IDR 1,100 Trillion in 2018. Furthermore, Mr. Munaf told that the creative economy contributes 7.44% to the Indonesian economy and also contributes 13.77% (or USD 20 million) from total Indonesian exports in 2016. These numbers are predicted to be increasing continuously.

Strong entrepreneurs are needed to develop creative economy businesses, especially at Micro, Small, and Medium Enterprises (MSMEs). To survive and even success, MSMEs require a strong

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personality from the entrepreneur itself as a leader. Leadership for an entrepreneur is a vital capital to align all resources in the business. Without strong leadership, there is no big vision that can build a big business. Creativity, innovation, and the ability to seek opportunities are the entrepreneurial characteristics necessary for the creation of MSME, particularly in the creative economy.

## B. LITERATURE REVIEW

### 1. Concept of Leadership

Leadership theory approaches are dividing into two major groups, which are traditional and modern theories (described in [table 1](#)). Esmer and Dayi (2016) define leadership as the process of influencing employees of an organization to achieve organizational goals. Although there are many definitions of leadership, there is a red line on leadership, which is the process of influencing employees and guiding them in the right direction.

Table 1. Leadership Theory

Theory	Summary
<b>Traditional Leadership Theory</b>	
Trait approach (Between 1910 – 1940)	Explained general characteristics of the leader
Behavioral approach (Between 1940 – 1960)	Described behaviors of the leader
Contingency approach (Between 1960 – 1980)	Leadership behavior should not be specific, but it varies depends on the situation.
<b>Modern Leadership Theory</b> (1980 till today)	Varies depending on the direction of change of the society, i.e., authentic leadership, transformational leadership, spiritual leadership, charismatic leadership, visionary leadership, cultural leadership, servant leadership, quantum leadership, entrepreneurial leadership.

(Source: Aksel in Esmer and Dayi : 2017)

### 2. Concept of Entrepreneurial Leadership

Entrepreneurial leadership definition according several sources can be seen in [table 2](#). The success of businesses depends on effective leadership skills. One of the effective leadership skills is entrepreneurial leadership. Corbin in Sutrisno (2013) said that with an entrepreneurial leadership style, a leader enables to delegate, to build employees behaving responsibly, to make and determine decisions, and to work independently. Entrepreneurial leadership concept, according to Thornberry (2006), is leadership in the context of an entrepreneur as a leader in their business organization.

## C. METHODOLOGY

This article is a descriptive study using secondary data from Gunawan et al. (2016) research. In that research, quantitative data was gathered through questionnaires. The population is the creative industry/business<sup>1</sup> entrepreneurs in Jakarta and questionnaires were distributed to 150 respondents by using purposive, quota, and accidental sampling. Purposive sampling was used to select the respondents with a minimum of two employees. Quota sampling was used to select respondents in 5 areas in Jakarta (north, south, east, west, and central) with 30 respondents in each area. Accidental sampling was used to select the respondents that were willing and available to fill the questionnaires.

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