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Sustainable Leadership Development in SMEs: A Case Study of South Asian Ethnic Minority Owned (SAEM) SMEs in The UK

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Abstract

This research paper discusses the concept of Sustainable Leadership Development (SLD) within South Asian Ethnic Minority (SAEM) owned Small and Medium-Sized Enterprises (SMEs). In the event of the 4th industrial revolution, digital disruption, economic depression, geopolitics, natural disasters, war, and climate change, it has forced the closure of businesses overnight. Further, emerging from the concept of ‘industrial democracy’ and ‘stakeholder approaches’, previous discourse suggests it is the time to abolish the role of the managers. Considering such development, businesses’ need to advance sustainable leadership for a robust and resilient response, which is viable and alluring to all stakeholders. While the classical leaders development only focuses on controlling the individual leader and stakeholder approaches, mutual-interdependency of leaders and follower relationship remains underdeveloped. In this state, this paper will investigate the factors that affect SMEs-SLD and their readiness to adopt such development, using a UK context. This exploratory research uses a semi-structured interview approach to collect data from owner-manager of SAEM-SMEs operating in the Greater London area.

Key Words: Sustainable Leadership Development (SLD), South Asian Ethnic Minority (SAEM), Small and Medium Size Enterprises (SMEs’)

The Aim of The Research

This research aims to investigate; the factors that affect ‘SLD’ practices in the UK-SAEM-SME and, their readiness to ‘SLD’.

Research Questions

What are the factors that affect SAEM- SMEs SLD?

What is the readiness in developing sustainable leadership in SAEM-SME context?

What are the critical success factors in developing sustainable leadership?

How can a model of SLD in the SAEM-SME context can be developed?

The Objectives of The Research

To identify the factors that affect SAEM- SMEs SLD

To measure the readiness in developing sustainable leadership in SAEM-SME context

To determine the critical success factors in developing sustainable leadership

To create a theoretical framework of SLD in the UK SAEM-SME context

Contribution of The Research

Leadership development intended to be consistent to meet the demand of unpredictable future in an economic dystopia, but most cases leadership development is not fit for the purposes (Vince and Pedler, 2018). Johnson (2012), opined in a “VUCA” (“volatile, uncertain, complex and ambiguous”) environment, leaders’ requires an unambiguous set of constructive individual capabilities. However, concerning for SMEs’ sustainable development the lack of leadership and poor management is a longstanding concern in UK. Perren et al. (2002), opined that there is confusion on the government agenda that overlapping SMEs learning and development needs that align the demand. Therefore, this study will contribute to sustainable leadership development in the UK-SMEs. Specifically, SAEM-SMEs, owner-manager able to identify critical success factors that may relate to SMEs sustainable leadership development. Research findings will direct SMEs, owner-manager to achieve essential sustainable leadership skills (e.g. decision making) in an uncertain economic condition. Government and non-Government agencies able to use the results to develop policies and programmes to support SMEs in developing leadership skills that fit 4th industrial revolution. The developed framework will contribute to the theory extension of sustainable leadership development in the literature. Finally, this study will help to fill the research gap in SLD, exclusively in the UK ethnic minority-owned SMEs context.

Literature Review

Sustainable Leadership Development (SLD)

The concept of sustainable leadership profoundly materialised after the fallout of global financial crisis. Scholars are currently looking for long term, secure and progressive approaches to a development of ‘leader and follower’ relationship strategies (Kantabutra and Saratun, 2013). The development of sustainable leadership grips the facet of humanistic management; firm’s contribution towards social good and people’s values. Such practices of self-strut leadership development can contribute to firm survival. To define the notion of ‘SLD’ Avery and Bergsteiner (2011) posit a long term approach to decision making and culture of systematic innovation that contributes in consumer value creation through quality service and products. Further, Kantabutra and Saratun (2013) distinguish, sustainable leadership as a reflection of an active management practice that often creates reputation and brand value with minimum spending.

Sustainable leadership can be developed in “Personal level”, “Firm-level”, “Sociological and Ecological level”. The “personal level” of sustaining own psychological and physiological health of others. As it encourages employees to act like an owner or entrepreneur, such initiative helps employees to take action to solve problems with a sense of urgency and willingness (Dalakoura, 2010). The “firm-level” involves nurturing a work environment in which people are enabled to flourish and realise their potential in the service of regulatory purposes which they see as worthwhile and sufficiently congruent with their sense of

personal ambition. As a result firm can enhance innovation process as an innovative firm's able gain competitive advantage and substantial growth (Morinaga and Tateno, 2015). The "sociological level" plays a responsible part in the broader community as it develops a learning environment by grasping business complexity (Dalakoura, 2010; Carter et al. 2013; Baert and Kyndt, 2013). The "ecological level" of sustaining the environment as it is very critical to long term viability of businesses.

SAEM-SMEs Readiness Adopting SLD

Due to the conceptual discrepancies, defining firm readiness can be challenging (Khan et al., 2014). Various assumptions are being made on what shapes firm willingness. Historically firm readiness conceptualised on theoretical underpinning that exists at the firm and individual level (Jones et al., 2005; Stevens, 2013). Personal Psychological aspects such as attitudes, beliefs, and perceptions held by individual staff members regarding the change (Cane et al., 2012). It may also refer to the extent to which staff members agree with the value of the differences. Organisational psychological dimension includes collective commitment and collective efficacy, or the area to which members of an organisation are seen to work together to achieve change implementation (Weiner et al., 2008). SAEM community can be distinguished by their entrepreneurial activity, (Smallbone et al., 2015), but it is not very clear; how these SMEs owner-managers' see SLD. It is evident that adequate resources and government support can be blamed, or, owner-managers may not ardent in developing formal leadership practices (Chadwick et al., 2012; Smallbone et al., 2015).

Assessment of firm readiness includes a diverse range of factors that subsist in the firm's macro and micro-environment (Jones et al., 2005). The readiness assessment aims to understand the extent of the vigilance of the conditions, attitudes, resourcefulness and availability of the resources at every operational level in a system (Khan et al., 2014). In the SME background, the word 'system' may amalgamate both micro and macro environment; sectors, stakeholders, national environment or other combination of features that can be a focus of the firm's capacity development initiative (Chadwick et al., 2012; Stevens, 2013). To bring about the change in leadership development, it is important to understand whether is there any interest in change and where that change can be contributed (Stevens, 2013). It is also critical to decide entry points of intervention and the kind of intervention required for leadership development (Weiner et al., 2008). Henceforth, the four key areas were identified to measure the readiness to adopt sustainable leadership development in SMEs; "Individual Psychological factors: beliefs, identification of problems, agility with changes", "Individual ability: know-how and skills", "Firm's motivational factors: commitment and workforce ability to implement the change" and "Firm's structural factors: availability of resources, communication and policies (Weiner et al., 2008).

Conceptual Framework

The model below is a synthesis of various models that shows a number of external and internal factors that affect SLD in the firm. SLD emphasis in helping firm's to overcome the negative forces focusing on the long-term advantage instead of short-term gains (Metsämuuronen et al., 2013). Owner-managers sense of ingenuity works as a key internal factors in developing an effective-sustainable leadership (Casserley and Critchley, 2010). The long-term achievement is one of the important considerations of SLD (Gerard et al., 2017). However, SLD falls short in the spectrum of social and environmental dilemmas, thus future

research can consider measurement of the firm readiness in developing sustainable leadership (Bendell et al., 2017).

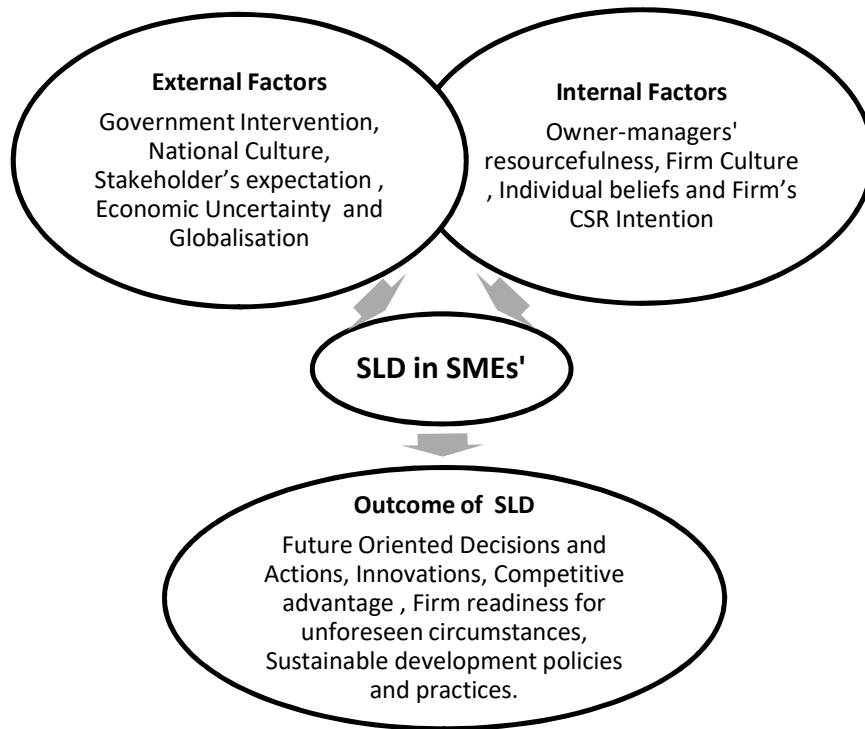


Figure: 1.0- Sustainable Leadership Development (SLD) in SMEs (Adopted from Gerard et al., 2017; Bendell et al., 2017; Casserley and Critchley, 2010; Metsämuuronen et al., 2013)

Research Method

In the UK-SMEs' sectors SLD is a new trend that entails an exploration of the phenomenon. In the events of 'VUCA' environment and continual changes (Nienaber and Svensson, 2013), SMEs' owner-manager needs effective SLD strategies to grasp the market development (Morinaga and Tateno, 2015). Hence, this study adopts a qualitative approach to understand owner-managers' capabilities and strategies to follow the SLD approach in their day-to-day business. From the philosophical stance interpretivist research philosophy will support to understand the participants' interpretation; 'deep-seated meanings and, the facts of SLD' of the social world (Silverman, 2013). Further, to construe the inner meanings of views, realities and jargons, the researcher will also adopt social constructionism theory to co-construct with the participants' (Oliver, 2010). A series of semi-structured interview guideline will be developed to ensure the manifestation of the SLD. To differentiate personal level of physiological health, burn out, work environment, social responsibilities to a broader community and wider ecological sensitivity, qualitative method will be helpful to interpret their inner meaning and feelings on the phenomenon, which may not be possible through the quantitative method of data collection (Silverman, 2013).

Through a purposive sampling strategy, 40 owner-managers' will be selected from the Greater London area (Bryman and Bell, 2015) however, the data saturation will determine the actual numbers of the interviews (Francis et al., 2010; Bernard, 2012). To create an in-depth discussion and, materialisation of the investigated phenomenon, the researcher will ensure

every participant has a minimum of 5 years operating-experience in the business (Morse et al., 2014). Community leader, business leaders and the Religious leaders will be contacted as a gatekeeper to contact the SMEs owner-manager. Once the participants agreed to be interviewed, a face-to-face interview will take place in their business premises, face-to-face conversation can be helpful to understand participant feelings, gesture and emotion towards the phenomenon that's being investigated. Henceforth, it will be beneficial to create a quality data that results in enhancing data validity.

Current Progress

So far, this study has developed an extensive literature review and, adopted a synthesis of the conceptual framework on SLD in SMEs'. The factors that affect SLD within the SAEM-SME context has been identified as a research gap.

Participation in the BAM Conference And Beyond

Until the conference takes place, data collection will be conducted, and the data will be analysed using a thematic analysis. The feedback and comments from the conference will be incorporated to make this study better for publication in a peer-reviewed journal and, for writing up. Once the research is finalised, this study will identify the factors that affect SLD in the SAEM-SME context and, SMEs readiness to adopt SLD and the preliminary findings will be presented at the conference.

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