Bridging the Gap: How Entrepreneurship Facilitates Closer Employee-Employer Relationships

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ABSTRACT

This article from a scholarly journal takes a look at how entrepreneurialism might help improve interactions between staff and management. The concept of entrepreneurship as a way of thinking that promotes initiative, originality, and calculated risk-taking in the workplace is investigated beyond the context of traditional business starts. This article examines the problems that arise in conventional workplaces as a result of their hierarchical arrangements, which put employees at a remove from their superiors and so impede effective communication and lower levels of employee engagement. Through a close analysis of relevant research, this paper demonstrates how entrepreneurial work settings can boost employee morale, dedication, and open lines of communication with management. Social exchange theory and transformational leadership theory are two theoretical frameworks that lend credence to the idea that entrepreneurship improves the connection between employees and bosses. The article finishes by highlighting the importance of entrepreneurship in creating engaged and successful organisations and the potential it offers in bridging the gap between employees and employers.

Keywords: Entrepreneurship, Employee-Employer Relationships, Organizational Culture, Innovation, Employee Engagement, Communication, Creativity, Risk-taking, Transformational Leadership, Social Exchange Theory.

1. Introduction

1.1 Background

When it comes to the performance and longevity of businesses in today's competitive market, nothing is more important than the dynamics between employees and employers. Historically, there has been a clear power differential between the employer and employee, with the former holding the reins of decision-making while the latter carried out their assigned tasks inside the company. Recent years, however, have seen a shift in emphasis towards creating workplaces that are more welcoming, cooperative, and interesting for all employees.

Even inside long-standing businesses, the idea of entrepreneurship and its accompanying values of risk-taking and creative problem-solving is gaining popularity. When we talk about entrepreneurial behaviour, we're talking about more than just starting a business; we're talking about being creative, taking risks, being proactive, and questioning the status quo. This more inclusive definition of entrepreneurship has the potential to transform the standard employee-employer dynamic by fostering a sense of agency and joint responsibility.

1.2 Objectives

The primary purpose of this journal article is to examine how entrepreneurs might facilitate closer relationships between modern organisations and their staff. We hope that by investigating the ways in which entrepreneurs' ideas might be implemented in the business world, we can learn how to foster work environments where employees and managers are more connected, productive, and happy.

Specifically, this article seeks to achieve the following objectives:

1. Examine the theoretical foundations and empirical evidence supporting the connection between entrepreneurship and the employee-employer relationship.
2. Identify the key factors that contribute to the development of an entrepreneurial culture within organizations and how this culture influences the dynamics between employees and employers.
3. Evaluate the benefits and challenges associated with adopting entrepreneurial practices in the context of employee-employer relationships.
4. Provide practical insights and strategies that organizations can employ to promote entrepreneurship and foster greater proximity and understanding between employees and employers.

1.3 Scope and Limitations

Recognising the study's boundaries—its scope and limitations—is crucial for setting expectations. Although the relationship between entrepreneurship and employee-employer dynamics is ripe for investigation, this essay does not aim to cover all facets of either entrepreneurship or organisational behaviour. Instead, it will zero in on subtopics that are crucial to understanding the larger picture. The study also recognises the substantial differences in organisational environments between businesses, sectors, and locations. Therefore, readers should approach the article's results and conclusions with caution and modify them as necessary to fit the specifics of their own organisations. The paper bases its research on a thorough examination of relevant literature, case studies, and industry examples. In order to help researchers, practitioners, and policymakers improve workplace dynamics and organisational performance, this article aims to present a sophisticated and evidence-based examination of the connection between entrepreneurship and employee-employer proximity.

2. Literature Review

2.1 Definition of Entrepreneurship in the Context of Employment

There has been a paradigm shift in how we think about entrepreneurship in the workplace; no longer is it only applied to new venture creation. Researchers have found that entrepreneurialism includes a wider range of actions and mindsets than previously thought. Shane and Venkataraman (2000) and Lumpkin and Dess (1996) define entrepreneurship as an attitude that incorporates characteristics like creativity, invention, risk-taking, proactivity, and a readiness to seize chances in the workplace. This broader perspective recognises the potential for employees at all levels to develop entrepreneurial skills, leading to a more innovative and responsive company culture.

Employees develop a sense of pride in their work and accountability when entrepreneurial attitudes and practices are encouraged in the workplace. Employees are more invested and motivated as they are given the autonomy to seek out and act upon chances for professional development within their current positions. In addition, workers who take on an entrepreneurial attitude are more likely to be flexible and prepared to meet the difficulties of today's dynamic business environment.

2.2 Relationship between Employees and Employers in Traditional Work Settings

In normal work situations, the interaction between employers and employees has typically followed a hierarchical structure, with managers making decisions and employees carrying them out. When management makes decisions without consulting employees, morale and productivity suffer. When workers believe they are not appreciated, they are less likely to go above and beyond in their roles.

Open discourse and idea sharing are stifled by the formality and narrowness of established routes of contact between employees and employers. Therefore, the organization's growth and development potential may be stunted due to a lack of exploration of employees' important insights and novel ideas.

![Figure: Entrepreneur and Organisation](Source: Yang & Pu (2019))
2.3 Prior Studies on Entrepreneurial Work Environments and their Effects on Employee-Employer Dynamics

The benefits of encouraging entrepreneurial cultures inside businesses have been the subject of a great deal of research, which has shed light on the effects of such cultures on employee-employer interactions. For instance, Rauch et al. (2009) studied businesses that support intrapreneurship, in which workers are given freedom to pursue their own ideas for improving the company. Employees felt more valued and committed at such companies, according to the research. Employees that take part in intrapreneurial efforts report higher levels of job satisfaction and loyalty to the company as a result. The level of openness between management and staff has also been shown to rise in entrepreneurial workplaces. A more open and cooperative culture can be created when workers are given a platform to share their thoughts and ideas (Antonic & Hisrich, 2003). Better understanding each other’s points of view and fostering a culture of mutual support are the results of improved communication.

2.4 Theoretical Frameworks Related to Entrepreneurship and Relationship-Building in Organizations

Several theoretical models shed light on the ways in which entrepreneurialism can improve relations between staff and management. Individuals form relationships with someone they believe will provide them with some sort of benefit, according to Social Exchange Theory (Blau, 1964). In the context of entrepreneurship, employees are more likely to be dedicated and creative when their employers provide prospects for advancement, acknowledgement, and independence. Furthermore, the significance of leaders in inspiring and encouraging individuals to go above and beyond their own self-interest is emphasised by the Transformational Leadership Theory (Bass & Avolio, 1994). Inspiring people to take initiative, try new things, and work together to achieve the company’s goals is one of the primary responsibilities of a transformational leader.

3. Entrepreneurship and Employee-Employer Relationships

3.1 Fostering a Culture of Entrepreneurship within Organizations

Organisations can encourage people to think creatively, take prudent risks, and contribute meaningfully to the organization's goals by promoting a culture of entrepreneurship. Such a culture can only be fostered in an encouraging setting that recognises and rewards originality and effort. Organisations can encourage entrepreneurship by giving workers the tools, independence, and autonomy they need to test out and implement novel strategies. Employee engagement, job satisfaction, and commitment are all higher in companies with an entrepreneurial culture, according to the literature (Hornsby et al., ...)
2002). People are more committed and invested in their work when they feel that they are making an impact and contributing to the greater good of the organisation.

3.2 Empowering Employees through Intrapreneurship Initiatives

Employees are encouraged to take on an entrepreneurial mindset through intrapreneurship programmes, which allow them to create and implement new ideas within the company. By giving workers the opportunity to demonstrate their ingenuity, businesses may tap into their latent potential and create a more trusting and loyal workforce. Intrapreneurship has been shown to improve relations between employees and management. Employees benefit from intrapreneurship because they are given more say in company matters and are inspired to take personal responsibility for their work (Pinchot, 1985). Employees’ motivation and dedication improve as a result of this more freedom, and the bond between the company and its workers grows stronger.

3.3 The Role of Leadership in Promoting Entrepreneurial Behavior among Employees

Leadership is crucial in inspiring innovation and initiative in the workplace. In particular, people are inspired and motivated to take risks when led by a transformational leader with visionary traits (Bass & Avolio, 1994). Such leaders inspire their teams by sharing an inspiring vision, guiding them along the way, and motivating them to think beyond their assigned tasks. In addition, transformational leaders encourage participation in decision-making by giving workers a voice. Transformational leaders foster an atmosphere where people feel safe enough to take chances and voice their opinions by fostering an atmosphere of open communication and building a culture of trust and psychological safety.

3.4 Impact of Entrepreneurship on Communication and Collaboration between Employees and Employers

Entrepreneurship in the workplace significantly alters the dynamics of interaction between workers and management. A more open, transparent, and inclusive style of communication is fostered in an entrepreneurial culture. As a result, workers are more likely to share their thoughts, make suggestions, and weigh in on important company matters (Narver et al., 2004). A culture of cooperation and mutual regard can flourish when people are better able to express themselves and hear one another. In addition, it is not uncommon for entrepreneurial endeavours to necessitate cross-functional collaboration, which in turn brings together individuals from different departments to work on novel ideas. As a result, departments are able to better communicate with one another, and personnel from a variety of backgrounds are able to work together (Kuratko, 2016).

4. Benefits of Minimized Distance between Employees and Employers

4.1 Enhanced Employee Engagement and Job Satisfaction

Employee engagement and job satisfaction rise when the gap between workers and employers is narrowed by encouraging self-employment. Employees who feel they have a personal investment in the success of their company are more likely to go above and beyond in their work. Employees in an entrepreneurial workplace are more likely to feel that they are contributing and making a difference (Bakker & Demerouti, 2008). As a result of this heightened involvement, both the work experience and job satisfaction improve.

4.2 Increased Employee Loyalty and Reduced Turnover Rates

Employees are more likely to show loyalty and dedication to their companies when they have a strong connection to those in authority. When workers feel that their opinions and efforts are being acknowledged and appreciated, they’re more likely to feel invested in the company as a whole (Taherparvar et al., 2020). As a result of their increased devotion, employees are less likely to leave in search of better job prospects. Employee retention is higher at entrepreneurial companies because of their emphasis on professional development (Rauch et al., 2009). Employees are more likely to stay with a company if they are given opportunities to participate in intrapreneurial activities and work on hard projects within the company.

4.3 Improved Organizational Performance and Productivity

Organisational performance and productivity benefit from closer contact between workers and their superiors. When workers have confidence in their leadership and are inspired to do their best work, they increase their output (Hornsby et al., 2002). Employees in entrepreneurial cultures are more likely to take pride in their work and feel accountable for its quality (Lumpkin & Dess, 1996). Employees are motivated to give their best work because they feel more responsible for the outcomes. Additionally, stronger employee-employer ties lead to enhanced communication and collaboration, which in turn leads to better team performance (Narver et al., 2004). When workers are encouraged to pool their expertise, more informed decisions and creative solutions to problems can be reached.

4.4 Greater Innovation and Creativity within the Workforce

Entrepreneurship fosters an environment where employees are encouraged to think beyond the box. When employees are given permission to use their imaginations, they are more likely to come up with creative answers to problems facing the company (Kuratko, 2016). Employees in an entrepreneurial
workplace are encouraged to take calculated risks and view setbacks as valuable learning experiences. Organisations foster an atmosphere that is open to new ideas and respects employees' differences in point of view by reducing barriers to communication. Novel ideas for goods and services can then be developed in this setting of open communication and cooperation.

5. Challenges and Barriers

5.1 Resistance to Change and Traditional Hierarchical Structures

Resistance to change, especially in organisations with firmly embedded traditional hierarchical systems, is one of the major hurdles to establishing tighter employee-employer ties through entrepreneurship. The mindset of an organisation needs to change in order to allow for the introduction of entrepreneurial practises (Lumpkin & Dess, 1996). However, workers and even managers may fight these shifts out of apprehension for the future, a desire to maintain status quo, or other similar reasons. Leadership teams may help remove this obstacle by spreading the word about the positive effects of adopting an entrepreneurial culture and fostering an atmosphere that welcomes risk-taking and new ideas. The shift towards a more entrepreneurial culture in the workplace can be facilitated by providing employees with training and support to build their own entrepreneurial abilities.

5.2 Managing Potential Conflicts between Employees and Employers

Conflicts between employees and employers may increase as workers gain independence through self-employment. As noted by Baker and Demerouti (2008), staff in an entrepreneurial setting are encouraged to question authority and share viewpoints that may conflict with those of upper management. When the strategies of an organisation and the ideas of its personnel clash, or when the interests of many stakeholders are at odds, conflict is likely to result. Organisations must set up efficient means of communication and feedback in order to overcome this obstacle. Conflicts can be reduced and an atmosphere of cooperation and mutual understanding can be established by encouraging open dialogue and acknowledging the validity of alternative points of view.

5.3 Balancing Risk-taking with Organisational Stability

Organisations need to find a middle ground between encouraging entrepreneurship and ensuring its own continued stability, given that the former fosters risk-taking and the latter fosters innovation. Danger-taking that isn't properly managed might put a company at danger of experiencing financial and operational difficulties (Rauch et al., 2009). However, an overemphasis on stability can inhibit innovation and make it harder for a company to respond to shifting market conditions.

Strong leadership is required to overcome this obstacle. Strategic decisions should be made in accordance with the organization's long-term goals and risk tolerance, and leaders should encourage an environment where such risk-taking is encouraged (Narver et al., 2004). Organisations can find a happy medium between risky new ventures and tried-and-true methods by conducting regular risk and reward assessments.

5.4 Overcoming Cultural and Societal Factors that Hinder Entrepreneurial Mindsets

Cultures and societies that value safety and predictability at the expense of innovation can stifle the spirit of enterprise. Some societies may have a negative view of failure, which may discourage people from trying new things or becoming entrepreneurial (Antonic & Hisrich, 2003). Furthermore, individuals eager to adopt entrepreneurial behaviour in the workplace may be scarce due to cultural expectations and conventions that favour more conventional career pathways over entrepreneurial efforts.

Organisations can help employees overcome these challenges by creating a culture that values and recognises initiative and calculated risk-taking. Asserting cultural biases can be aided by educating employees and management on the benefits of entrepreneurial behaviour and its favourable impact on organisational success. In addition, fostering entrepreneurship through fostering a more welcoming and inclusive atmosphere can be aided by giving mentorship and support to persons interested in developing entrepreneurial abilities.

6. Case Studies and Examples

6.1 Successful Organizations that Have Embraced Entrepreneurial Principles

6.1.1 Case Study 1: Google

Google is a paradigmatic business that has thrived by adopting and using entrepreneurial concepts. Google has always encouraged new ideas and a can-do attitude, even from its earliest days as a search engine startup all the way up to its present position as a global technological leader. Successful products like Gmail and Google Maps were developed because to the company's “20% time” philosophy, which permits employees to spend 20% of their work time on personal projects. Employees are encouraged to take initiative and develop their own ideas through this method.
As a result of its dedication to research and development, Google now offers a wide variety of useful services in addition to its namesake search engine. The organisation fosters an atmosphere of inquiry and innovation, motivating its staff to offer their finest ideas. Google's entrepreneurial spirit has been a key factor in the company's growth and sustained prominence in the information technology sector.

6.1.2 Case Study 2: Zappos

Another great company that exemplifies entrepreneurial spirit is Zappos, an online retailer of shoes and clothes. Zappos' emphasis on customer service and a positive work culture has been instrumental in building a loyal customer base and a committed workforce. The company's founder, Tony Hsieh, instilled a strong entrepreneurial culture from the beginning, emphasising core values such as "Deliver WOW Through Service" and "Create Fun and A Little Weirdness."

Employees at Zappos are encouraged to be independent and responsible for their work, with the authority to make choices that put the needs of customers first. The organisation also promotes a growth mindset that encourages the adoption of new ideas and the pursuit of perfection.

6.2 Lessons Learned from Organizations that Struggled to Implement an Entrepreneurial Approach

6.2.1 Case Study 1: Kodak

The once-dominant photography company Kodak is an object lesson on the perils of failing to adopt entrepreneurial principles in the face of digital disruption. Kodak was an early innovator in digital photography, but the company's employees were slow to accept the shift to digital. The firm's inability to respond to shifting market conditions was exacerbated by its emphasis on its core film sector.

Kodak's inability to innovate and grab chances was hampered by the company's strict hierarchical structure and risk-averse culture. Because of this failure, the company saw its market share diminish and eventually go bankrupt as consumers switched to digital photography.

6.2.2 Case Study 2: Blockbuster

Another corporation that struggled to take an entrepreneurial stance in the face of change was the once-dominant video rental service Blockbuster. Blockbuster was sluggish to adopt new technology and adjust its economic strategy, despite the rising popularity of online streaming and digital media.

The failure of the business was caused by its insistence on maintaining a network of brick-and-mortar rental outlets and its slow adaptation to online streaming services. Blockbuster's failure to adapt to changing consumer tastes and the growth potential of digital platforms contributed to the company's demise.

Lessons Learned

- Organizations that successfully embrace entrepreneurial principles are adaptable, encourage innovation, and empower their employees to take risks.
- A supportive and open organizational culture is crucial for fostering entrepreneurship and driving success.
- Organizations must be willing to learn from failure and continuously evolve to stay competitive in dynamic markets.

7. Strategies for Promoting Entrepreneurship in Organizations

7.1 Training and Development Programs to Foster Entrepreneurial Skills

Companies can encourage entrepreneurship among their employees by providing them with training and development opportunities that help them develop their own entrepreneurial talents. Creativity, problem-solving, decision-making, and risk-taking are all skills that can be fostered through such programmes (Morris et al., 2013). Companies may encourage employee creativity and initiative by equipping them with the information and resources they need to pursue novel avenues of inquiry.

Mentoring programmes expose employees to real-world business difficulties and help them learn how to overcome them through training and education. Staff members' perspectives can be widened and entrepreneurial spirits stoked by encouraging them to participate in conferences and other networking events.

7.2 Creating a Supportive and Risk-Tolerant Organizational Culture

To encourage innovation and experimentation inside an organisation, it is essential to create a culture that values and rewards taking risks. It's important for workers to be able to speak up and take chances without worrying about what will happen if they don't succeed (Kuratko, 2016). Leadership is crucial in establishing norms and values within an organisation.
Leaders can encourage innovation and risk-taking by publicly praising and rewarding creative efforts. As suggested by Bakker and Demerouti (2008), they should foster an atmosphere where taking risks is rewarded and mistakes are recognised as valuable learning experiences. Platforms where employees can share their ideas and receive feedback and encouragement from managers and peers are another useful tool for organisations.

7.3 Incentives and Rewards for Entrepreneurial Behavior

Employees can be strongly encouraged to adopt an entrepreneurial mindset when prizes and incentives are offered for doing so. Incentives for employees to take initiative have been shown to increase productivity (Antonicic & Hisrich, 2003). Incentives for creative work can take the form of money or time bonuses, or even a new position with the promise of more resources.

Successful entrepreneurial endeavours can be highlighted and the ways in which they match with the organization's aims can be displayed through formal appreciation programmes. Employees are more likely to be inspired to make entrepreneurial contributions when rewards are tied to achievements that advance the organization's mission and core values.

7.4 Encouraging Cross-Functional Collaboration and Idea-Sharing

The success of any entrepreneurial enterprise depends on the free flow of information and ideas between departments and teams. When workers from different departments and with varying levels of experience work together, they bring new ideas and insights to the table (Narver et al., 2004). Working together like this can help solve difficult problems in novel ways.

Organisations can foster cross-departmental cooperation by setting aside time and resources for employees to share ideas and work together in designated areas. Creative thinking and teamwork can be encouraged by regular brainstorming sessions, hackathons, and invention challenges (Hornsby et al., 2002). Furthermore, the value of teamwork can be reinforced and continued participation encouraged by recognising and rewarding effective collaborative efforts.

8. Implications for Research, Practice, and Policy

8.1 Research Directions and Gaps to Explore Further

While this study does provide some insight into the connection between entrepreneurship and employee-employer proximity, there are still many questions that need to be answered and avenues for further research. Fostering entrepreneurship and its long-term effects on business success and morale are an intriguing research topic. The effects of prolonged entrepreneurial practises on employee engagement, job satisfaction, and organisational success may be better understood through longitudinal research. Further study could also examine whether factors help or hinder the adoption of entrepreneurial practises in various business settings. The most successful methods for achieving organisational goals can be gleaned by studying the interplay of organisational culture, leadership styles, and industry-specific characteristics in relation to entrepreneurial endeavours.

There is still room for investigation into how technological advancements and digital change might inspire business venture creation from within. Better understanding of how to optimise the use of technology to foster stronger ties between employees and employers could be gained through research into the ways in which digital tools and platforms enhance the exchange of ideas, cooperation, and communication between employees and employers.

8.2 Practical Recommendations for Organizations to Adopt Entrepreneurial Practices

This research provides some actionable suggestions for businesses who want to embrace entrepreneurial practises and improve employee-employer interactions.

a) Create a Culture of Innovation: Foster an Environment That Promotes Creativity, Experimentation, and Risk-Taking where leaders should foster an environment that rewards new ideas and takes risks. Employees are more likely to take initiative to bring about positive change when they feel valued for their contributions and are rewarded for their creativity and originality.

b) Establish Open Communication Channels: Open and honest channels of communication between management and staff should be a top priority for any company. A culture of trust and mutual understanding can flourish when employees are given regular opportunities to provide feedback, share ideas, and have their voices heard.

c) Invest in Training and Development: Employees can be encouraged to think creatively and take on intrapreneurial projects by participating in training and development programmes that emphasise entrepreneurial abilities.

d) Reward and Recognize Entrepreneurial Behavior: Implementing a system of rewards and recognition for employees who demonstrate entrepreneurial skills incentivizes and reinforces the desired behaviour.

Policy Implications to Promote Entrepreneurship and Employee-Employer Closeness

Implications for policy can play a significant role in advancing entrepreneurship and improving working conditions generally.
a) Entrepreneurship Education: Including entrepreneurship education in K-12 and higher education curricula will help students develop an entrepreneurial mindset at a young age, which will help them be more creative and flexible in their professional lives.

b) Support for Small and Medium-sized Enterprises (SMEs): Policies that help small and medium-sized businesses (SMEs) with things like funding, access to resources, and streamlined regulatory frameworks can boost entrepreneurship and create more jobs.

c) Public-Private Collaboration: Promoting partnerships between government agencies, businesses, and academic institutions can boost opportunities for sharing information and building an environment conducive to innovation and entrepreneurship.

d) Employee Well-being and Labour Policies: Positive organisational culture that encourages closeness and loyalty between employees and employers is fostered through policies that prioritise employee well-being, work-life balance, and fair labour practices.

9. Conclusion

In this academic journal paper, we investigated how entrepreneurialism might improve relations between workers and management. Our survey found that, first, the concept of entrepreneurship in the workplace goes far beyond the creation of a new business and includes an attitude that encourages people to think outside the box and take calculated risks. Second, distance between employees and employers due to traditional workplace hierarchies can hinder communication and disengage personnel. Thirdly, previous research has shown that companies that foster an entrepreneurial work environment have happier, more dedicated employees and better lines of contact with management. Finally, the idea that entrepreneurship may improve the connection between employees and bosses is supported by a number of academic frameworks, including the Social Exchange Theory and the Transformational Leadership Theory.

Our findings suggest that entrepreneurship has considerable promise as a means of reducing tensions between workers and their employers. Organisations benefit from increased empowerment, transparency, and teamwork when an entrepreneurial culture is fostered. As a result of increased employee involvement, work happiness, and loyalty, business results improve thanks to the entrepreneurial spirit. When workers are rewarded for going above and beyond in their jobs and contributing fresh ideas, they feel more invested in the success of the company as a whole. In addition, a culture of entrepreneurship in the workplace fosters an atmosphere where employees and employers collaborate as equals by freely exchanging information and ideas. The employee-employer bond is strengthened and a culture of constant growth and development is encouraged through this cooperative effort. Adopting an entrepreneurial mindset is more important than ever as businesses face intensifying competition and shifting market conditions. By fostering an entrepreneurial culture, businesses can better respond to trends and seize opportunities, resulting in long-term success.

In conclusion, our research emphasises the transformative potential of entrepreneurship in organisations, demonstrating how it paves the way for more harmonious working relationships between employees and management. In addition to fostering innovation, encouraging entrepreneurship can help create a more diverse, dedicated, and productive workforce.

References


