

The impact of leadership on innovation management essay



This paper details the nature and roles of leadership in the field of management innovation. Leadership broadens the organizational levels and initiates the innovation activity through motivating the employees and defining an effective structure for the proper functioning. Use of the concept could be done in a wide range of markets and at the degree of the novelty required. The innovation to make it happen within an organization, a link between the leadership systems and innovation strategies has been introduced. The policy implications recognizes the need for the different stages of the innovation process at different levels of the organizational structure , from which a stepping stone at every level can be achieved which will be followed by the Organizational implication which identifies a proper leader for different hierarchy levels and allows to perform according to the stages of innovation process. In total it clearly gives an idea about the ongoing activities in any organization where an innovative activity occurs with the quality leadership in it and the levels of performance in any sector.

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INNOVATION

Innovation is a key word probably being used more than ever by any type of individuals, groups or organizations; from scientist to artists, from engineers to craftsmen. Whether it is the business surroundings or non-profit organizations, political or educational associations, whether it is a developed or a developing market, whether a product or service offering, with high technology or mass production; the word of innovation is word being recognized as one of the most credible one and term of being innovative sounds as the ultimate path to success in any changing environments especially in terms of globalization. In order to use the terms of innovation one should understand what really innovation is, in order to understand what is in the core of innovation and the description of it one should most likely distinguish the term innovation from the terms and definitions that are considered as synonyms or to have very similar meanings and practices. Although these terms could be inter-related or connected to Innovation in somehow in some phases, they cannot be considered as Innovation itself. These misunderstood terms are Invention, Improvement, Being Innovative is also a term most of the time described as being creative, entrepreneur or just able to handle complexity, therefore after distinguishing the term of innovation, the term of being innovative should be described considering

these influencing characteristics. Finally Innovation is a important dimension of the change process therefore the importance of innovation in change process should be identified in order lead reasonable descriptions and definitions of Innovation. After this we can discuss the generation of innovation, types of innovation, methodology of it and finally carry on to the impact of leadership on Innovation (Mintzberg 2003)

Innovation Vs. Improvement

Although Continuous improvement may end up with an innovation most of the time, defining innovation with a series of incremental changes as a result of continuous improvements would be an insufficient explanation of innovation. The reason is that incremental changes depends on the lessons learnt and follows a horizontal path throughout the idea processing and knowledge creation, in the case of an innovative idea, a leap in the idea processing is observed, a vertical step in time where the track of previous improvement can't be followed or even found irrelevant to the idea discovered. As it can be understood from the term itself improvements follow a continuous path, but innovations are better described as in continuous breakthroughs from the formal horizontal path. The underlying principle with the innovation is that it deserves not only certain amount of time which can be illustrated by the continuous improvements accomplished through lessons learnt and analysis's but also depends upon certain amount of space which can be explained by the occurrence of some events and situations that triggers this leap in the understanding and level of cognition. To enable a qualified process to overcome sophisticated needs of innovation, continuously improvement is necessary but not sufficient. (Mintzberg 2003)

Innovation Vs. Invention

Invention is another term being considered with Innovation most of time.

What leads to an invention is the orientation of both horizontal and vertical changes, in other words continuous improvements harmonized with innovations. Several Innovations turn into an invention which deserves relatively more time and effort. Some descriptions distinguish innovation as a integrating activity of different disciplines, technologies, approaches, understandings or perspectives whereas claiming invention as of a specific level of change made on a certain study field for long periods. Actually what differs invention from innovation is that invention includes several innovations which lead to a more horizontal and vertical change that makes it even harder to track the continues and integrated improve (Eversheim 2009)

Elements for innovation:

1. Basic needs for innovation (Park 2005)

Changing nature of the innovation process

The change of innovation is completely based on the generations and its requirements. Till now there is five generation of innovations

First generation (1950-1960):

(Research push)

Science and technology Market

Research

Manufacture

Development

Marketing

Sales

Figure: 2 First generation innovation process (Dodgson et al. 2008)

Second generation (1965-1975): (Demand pull)

Science and technology

Market

Manufacture

Sales

Research & development

Market and demand

Figure 2: Second generation innovation process (Dodgson et al. 2008)

Third generation (1980-1986):

Research , Development, Design, Prototyping, Testing, Operations,
Marketing, Sales, Service. (Coupling)

Science and technology Market Market

Communication and feedback loops

Figure 3: Third generation innovation process (Dodgson et al. 2008)

Fourth generation (1986-2000):

(Collaborative)

Suppliers

Cross functional teams, process based organization

**Research, Development, Design, Prototyping, Testing,
Operations, Marketing, Sales, Service**

Horizontal research Alliance

Science and technology

Market

Customers

Figure 4: Fourth generation innovation process (Dodgson et al. 2008)

Fifth generation (2005-2010):

Process driven by:

Innovative strategy

High level organizational and technological integration (Strategic and integrated)

Strategic and technological integration with customers, Suppliers, Innovation communities and networks

Figure 5: Fifth generation innovation process (Dodgson et al. 2008)

Types of innovation

The six focus areas for innovation are:

Product - What we produce and sell

Process - Continuous improvement of how we do that

Marketing - Exceeding customer expectations

Organization - Business strategies, systems and structures

Open - Working beyond boundaries and collaborating globally

Value - Creating unique value that eliminates the cost to compete

Among these six major four types of innovation in practice are as follows:-

Product innovation:

“ Product innovations can be based on new uses or combinations of existing knowledge or technologies. The term “ product” is used to cover both goods and services are referred as product innovation”.(Organization for Economic Co-operation and Development 2005)

Process innovations :

“ Production methods involve the techniques, equipment and software used to produce goods or services are referred as process innovation”.
(Organization for Economic Co-operation and Development 2005)

Marketing innovation:

“ Marketing innovations includes changes in product design that are part of a new marketing concept. Product design changes refer in product form and appearance that do not alter the products or characteristics. They also include changes in the packaging of products, where packaging is the main determinant of the product’s appearance. Innovations in product design can also include the introduction of significant changes in the form, appearance or taste of food or beverage products, such as the introduction of new flavors for a food product in order to target a new customer segment”.(Organization for Economic Co-operation and Development 2005)

Organizational innovation

“ This kind of innovation can be intended to increase a firm’s performance by reducing administrative costs, transaction costs, improving workplace satisfaction or cost for supplies”.(Organization for Economic Co-operation and Development 2005)

Innovation implementing methodology

The planning phases of the Innovation Roadmap methodology are as follows

Goal setting

Future analysis

Idea generation

Idea evaluation

Idea detailing

Concept evaluation

Implementation planning

Controlling.(Eversheim 2009)

The below figure illustrates the common innovative and Triz methodological thinking for a new innovation. Figure 6: Innovation methodology (Gao Changqing 2005)

Degree of Novelty in Innovation

Three concepts for the novelty of innovations are discussed below: new to the firm, new to the market, and new to the world.

New to the firm:

A product, process, marketing method or organizational method may already have been implemented by other firms, but if it is new to the firm then it is an innovation for that firm.

New to the market:

Innovations are new to the market when the firm is the first to introduce the innovation on its market. The market is simply defined as the firm and its competitors and it can include a geographic region or product line.

New to the world:

Innovations are new to the world when the firm is the first to introduce the Innovation for all markets and industries, domestic and international. New to

the world therefore implies a qualitatively greater degree of novelty than new to the market(Organization for Economic Co-operation and Development 2005)

Leadership Quantities for Innovation

This text is based on „ Concepts of Leadership” by Donald Clark.

<http://management.about.com/gi/o.htm?zi=1/XJ&zTi=1&sdn=management&cdn=money&tm=6&f=00&tt=14&bt=0&bts=0&zu=http%3A//www.nwlink.com/~donclark/leader/leader.html>

An organization needs to remain competitive a vision. That vision can be reflected in for example new products, services or a reorganization of the organizations structure.

The assignment of the leading staff is, to accomplish those visions by leading the employees. Leading in that case means to influence the employees to accomplish the goals and objectives.

Leadership is „ The activity of leading a group of people or an organisation, or the ability to do this.” <http://www.businessdictionary.com/definition/leadership.html>

To lead other people, for a leader it is necessary to be familiar with important leadership knowledge and leadership skills.

Leader`s attributes or traits like beliefs, values, ethics and character will influence directly the leadership skills and the leadership style.

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Additional to some of the leadership skills, which will be short presented and explained during the next pages, there are some principles of leadership which help to become a better leader.

Know yourself and seek self-improvement

Be technically proficient

Seek responsibility and take responsibility for your actions

Make sound and timely decisions

Set the example

Know your people and look out for their well-being

Keep your workers informed

Develop a sense of responsibility in your workers

Ensure that tasks are understood, supervised, and accomplished

Train as a team

Use the full capabilities of your organization

Definition and Explanation of Leadership Skills

Communication

Definition: „ Two- way process of reaching mutual understanding, in which participants not only exchange (encode-decode) information but also create

and share meaning.” <http://www.businessdictionary.com/definition/communication.html>

This text is based on „ Communication and Leadership” by Donald Clark.

<http://management.about.com/gi/o.htm?zi=1/XJ&zTi=1&sdn=management&cdn=money&tm=4&f=00&tt=14&bt=0&bts=0&zu=http%3A//www.nwlink.com/~donclark/leader/leader.html>

Most problems and failed projects in an organization are the results of a wrong communication process or lower communication skills. A failed communication occurs, if the receiver does not understand exactly the information, order or idea which the sender tried to transmit. To prevent confusions and misunderstandings during a communication, a good leader has to know the basics of an effective communication and has to train his communication skills.

To get an idea how a communication process is constructed, the communication process can divide into three steps:

Thought

The message which can be an idea, a concept, information's or feelings will be formed in the mind of the sender.

Encoding

The message, which is formed in the mind of the sender, will be send verbal, nonverbal or with symbols.

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Decoding

To understand the meaning of the message, the receiver translates the information with procedures he understands.

During a communication the message of the sender will include two elements. These two elements are related to each other. The right interpretation of the elements on both sides (sender and receiver) is very important for an effective communication.

The first element is the content. The content includes the verbal information. Verbal information's like spoken words or symbols can be combined to phrases, which then make sense. The verbal content in a message is around 38%.

The sender has to be sure that the receiver understands the verbal informations in the right way, otherwise there will be a possibility for misunderstandings and confusions on the receiver side.

Many words have different meanings and also the interpretation of the meanings of words can be different. A big possibility for misunderstandings and confusion could also be the circumstance, if one of the participants does not speak the same language or is not a native speaker. The language content in a message is around 7%.

A good leader has to train his verbal skills to deliver his message correct to the employees.

The second element of a message is the context. The context describes the nonverbal elements. Nonverbal elements include all elements which describe the way how the message was delivered.

The nonverbal communication is very important in the communication style. The nonverbal content of a message is around 55%.

It delivers feelings to the receiver. The possibility for misunderstandings and confusions on the receiver's side is extremely high, if the nonverbal elements do not fit to the verbal elements.

Examples for nonverbal elements are:

The body language

Examples are the body posture, eye contact and movements.

Hand gestures

Hand gestures are used to underline words or phrases.

The state of emotion

States of anger, fear or uncertainty are mostly negative emotions.

Elements in speech

The tone of the voice.

A good leader has to train, in addition to his verbal skills, also his nonverbal skills to deliver his message correct to the employees.

Behaviors like eye contact, facial expressions, gestures, posture and body orientation, proximity and vocal techniques shall be a part of the communication.

A second important case of communication is the listening part. It can be distinguished between active listening and passive listening.

Passive listening means, if the receiver just listens to the senders message. Much informations get lost, because the receiver does not listen carefully.

Active listening is the opposite of passive listening. The receiver spends attention to the sender's speech to understand the words and feelings.

For a good leader it is important to spend more time on active listening than on talking in meetings and other conversations.

A possibility to be sure that the receiver understood the message in the right way is the feedback. In a feedback, the receiver tells the sender in his own words, how he understood the message verbal and nonverbal. An advantage is that the sender has the chance to explain the message with other words directly, if the receiver understood the message in a wrong way. Fails or problems can be prevented. Also there is the chance to get into a discussion which could affect the message and communication in a positive way.

A feedback is absolutely a benefit for an effective communication.

A leader should be familiar with presentation techniques and tools. They are very helpful for highlighting messages, informations, facts and data and

make sure for a better understanding. Also it is easier to reach more people in a shorter time.

Integrity

Definition: „ Strict adherence to a moral code, reflected in transparent honesty and complete harmony in that one thinks, says, and does.”

<http://www.businessdictionary.com/definition/integrity.html>

This text is based on „ The importance of integrity to leadership” by Siti Ibrahim. <http://www.helium.com/items/1495580-the-importance-of-integrity-to-leadership>

Integrity has a big influence on the organization`s structure, the staff and the organization`s publicity. Integrity includes honesty, reliability and trustability and is a part of a positive trait.

An integrity based leadership is an interaction between the leader and the employees which benefits the trust, acceptance and respect for each other. Also the communication will have a benefit of integrating an integrity based leadership style.

The staff will be more open to accept mistakes, critics and will not be afraid of receiving any negative feedback. This will decrease stress and anxiety.

The behavior of the leaders will influence the employees.

If an organization has many integrity leaders and employees, individuals with a flawed character will not last long in the organization.

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Integrity prevents negative actions like corruption or mobbing.

From the economical point of view, it is for an organization very important to have many integrity leaders, because the prestige in public will increase.

Visions and Goal Statements

Definition:

„ An aspirational description of what an organization would like to achieve or accomplish in the mid-term or long-term future. It is intended to serves as a clear guide for choosing current and future courses of action. “

<http://www.businessdictionary.com/definition/vision-statement.html>

This text is based on „ Leading and Leadership” by Donald Clark.

<http://management.about.com/gi/o.htm?zi=1/XJ&zTi=1&sdn=management&cdn=money&tm=5&f=00&tt=14&bt=1&bts=1&zu=http%3A//www.nwlink.com/~donclark/leader/leader.html>

A leader needs a strong vision where to go to. Employees want a vision for what they are working for. The leader’s assignment is to give the employees a vision.

The factors which let employees follow are clearly defined goals and trust.

The leader has to set goals to realize the visions.

These goals should be:

Realistic

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Attainable

Improve the organization

All employees should be involved in the goal setting process

A program should be developed to achieve the goals

Inspiration helps to induce employees to do something, because the task will get a purpose.

Also motivation has a big influence to the implementation of a task.(Gao Changqing 2005)

Teamwork

Definition:

„ The process of working collaboratively with a group of people in order to achieve a goal.“

<http://www.businessdictionary.com/definition/teamwork.html>

In addition to be able to work as a leader in a team, it is for a leader even more important to be able to form a team and stick it together.

This ability is based on the knowledge of:

The employees

To know the strengths and weaknesses in the technical- , social- and creative-abilities of each employee.

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Group dynamics

To know the coherent of behaviors and psychological processes in a group.

Psychology

To appreciate characters of individuals correctly.

Team communication

To know the rules of communication and to be able to communicate with more people simultaneous. The leader has to get also into the role as a moderator.

A usual mistake of leaders is that they form their team out of employees which are too similar.

A better output of teamwork will be achieved the more diverse the team members are.

The diversity resultates out of:

Opinions

Backgrounds

Capabilities

Relationships

Definition:

„ A connection between variables, such as a correlation, or between people, such as a marriage.”

<http://www.businessdictionary.com/definition/relationship.html>

Relationships are for an organization very important. It helps to increase the loyalty of the employees to the organization, products and participants.

There can also be relationships to suppliers, customers and other organizations or departments.

Some benefits for the organization are:

Loyal customers, suppliers, employees

It will increase sales and market share

Exchange of information

Increasing the communication in a positive way

Increasing the motivation

Decreasing the sickness absence rate

Increasing the workflow because of better connections

Relationship is based on respect, trust, acceptance, support, understanding, share and celebrating and freedom.

For a leader it is important to care for the employees and the organization.

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A leader should be able for building relationships and networks with and between employees and other contacts. (Dodgson et al. 2008)

Persuasion

Definition:

„ Process aimed at changing a persons (or a groups) attitude or behavior toward some event, idea, object, or other person(s), by using written or spoken words to convey information, feelings, or reasoning, or a combination of them.”

<http://www.businessdictionary.com/definition/persuasion.html>

This text is based on „ Leadership by Persuasion - Four Steps to Success” by Patsi Krakoff, Psy. D.. <http://ezinearticles.com/?Leadership-by-Persuasion—Four-Steps-to-Success&id=118428>

One of the most important leadership skills which a leader should have is the ability to persuade. Persuasion is related to trust, relationship and communication. By persuasion, people can be influenced to do something voluntary. The benefit is that the people act without coercion, because they are convinced to do something which makes sense in their minds. The leader must only give a reasonable reason. The success of a leader to realize the visions and goals depends on the persuasion skill.

The four steps to a successful persuasion are:

Establish credibility

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Expertise and relationships are the sources which develop credibility.

Necessary is active listening to other peoples suggestions. Their opinions should be valued. Data and informations should be collected to support the own arguments.

Understand the audience

Identify benefits to which the audience relates. Identify the interests of important people in the group like decision makers or stakeholders.

Reinforce position

Arguments should be logical and have consistent facts and experience, should be addressed to audiences interests and neutralize alternatives.

Connect Emotionally

The communication to the audience should be a mix of intellectual and emotional commitment.(Mintzberg 2003)

Adaptability and Flexibility

Definition:

„ Ability of an entity or organism to alter itself or its responses to the changed circumstances or environment. Adaptability shows the ability to learn from experience, and improves the fitness of the learner as a competitor.”

<http://www.businessdictionary.com/definition/adaptability.html>

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Flexibility and adaptability are necessary for innovations. Without flexibility and adaptability an organization will become inflexible and will not be able to react on intern or extern changes.

The business of a leader is to realize the visions and goals with the help of the staff.

Problems have to be solved.

Solution orientated working will be more effective, if a leader is flexible and adaptable in mind.

The ability on changing strategy, plans or programs to unforeseen events will be easier and more successful, because the motivation to change old practices will be higher.

With a flexible and adaptable thinking, a leader will be able to find more solutions for a problem and the chance to project similar situations from the past to current situations to find solutions or strategies will increase.

A flexible and adaptable leader sees innovations and changes as an opportunity for improvement.

Coaching and Development

A leader has to be able to coach and develop employees. It is very important to have the focus on coaching and developing young and upcoming employees.

These employees often do not have much experience but if they have just finished the university they have a current status of know-how.

The benefits are that these employees are motivated and learn in a correct way the skills they really need for the job. Also they bring new influences into the team and gain greater competence. Coaching helps to overcome barriers and to improve job performance.

Decision Making

Definition:

„ The thought process of selecting a logical choice from the available options.”

<http://www.businessdictionary.com/definition/decision-making.html>

This text is based on „ Decision Making Skills” by mindtools.

http://www.mindtools.com/pages/article/newTED_00.htm

Every day a leader has to make decisions. Those decisions have to be timely and well considered, otherwise projects can fail or problems will occur.

Decisions can be separate to long term decisions like program activities in two years and short decisions like program activities in the next week.

Typically involved issues in long term or short term decision are still the same. Unknowing facts, many interrelated factors, high risk consequences, alternatives and interpersonal issues will make to find the best decision for a leader even harder. To be able to make better decisions, a leader should use

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a logical, organized and systematic decision making process. It helps to find critical elements and important factors.

A decision making process can base on six steps:

Creating a constructive environment

By establishing the obje