Revisiting Innovation Leadership

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Abstract

Innovation leaders must possess multiple attributes in order to effectively manage the increasing demands for innovation in many facets of business organizations, especially in influencing creativity and innovation. Research findings have indicated that the behaviours of innovation leaders differ from the leadership behaviours that are deemed sufficient in conventional leadership situations. However, the literature on leadership suggests that there remains a research gap—what are the attributes required of successful innovation leaders?—That warrants a study to determine more precisely what those attributes are. A review of the current literature indicated that innovation leadership is a multi-leadership phenomenon consisting, inter alia, of charismatic leadership, transformational leadership and innovation leadership attributes and competencies. This paper discussed the innovation leadership attributes as portrayed in the literature, thereby providing a firm, structural foundation for researching the components of innovation leadership and providing insights to define the construct and, ultimately, to develop a psychometric measure.

Keywords
Contemporary Leaderships, Innovation Leadership, Innovation Leadership Attributes

1. Introduction

Research in management practices has placed great emphasis on the critical role of leadership in achieving an organization’s vision and mission, and to face challenges especially during turbulent times (Chen, 2007; Samad & Abdullah, 2012; Sattayaraksa & Boon-Itt, 2012). Empirical studies have consistently postulated that leadership is one of the most important factors for organizational success (LeBrasseur, Whissell, & Ojha, 2002; Samad, 2012; Seltzer, 1990).

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Innovation leadership plays a multitude of roles when facilitating innovation in organizations and the role of leader is especially important in influencing creativity and innovation. With the appropriate leadership, successful innovation becomes a realistic and achievable goal; but without it, the challenge may prove insurmountable (Hunter & Cushenbery, 2011). Senior and Fleming (2006) and Samad (2012) contend that there is no single leadership theory that is appropriate to all situations. Taking different perspectives, contemporary scholars have proposed various theories. This study focuses on five main theories: namely, Leader-Member Exchange Theory (LMX), Transactional Leadership, Charismatic Leadership, Transformational Leadership, and Innovation Leadership approach. The main purpose of this research is to determine the attributes of innovation leadership. The study will provide the insights of new attributions for successful innovation leadership.

2. Contemporary Leadership Theories

2.1. Leader-Member Exchange

Leader-member exchange theory (LMX) views leadership as a process, bringing into focus the interactive relations between the leader and the follower, with particular stress on the pair’s communication process (Gardner, 1990; Northouse, 2004). According to Northouse (2004), LMX theory is concerned with the follower, the leader and the dyadic relationship between them; it provides a description and prescription of the relationship between the leader and followers working in the organization. LMX describes how individuals develop leadership connections across the organization for the effective accomplishment of their work (Northouse, 2004).

However, these connections can lead to the creation of petty biases among subordinates and leaders; such relationships may function against the human value of fairness which could lead to charges of discrimination against individuals of different genders, ages and cultures. However, as Northouse acknowledges, the idea behind LMX is not completely developed; it has failed to fully specify the relationship at higher moral leader-member exchanges. There have also been queries on its content validity; that is to say, it may not measure what it is supposed to measure (Nahavandi, 2009).

2.2. Transactional Leadership

This type of leadership also has its basis in the exchanges that takes place between leaders and followers (Avolio, Bass, & Jung, 1999). In this perspective, the leader provides encouragement to his or her followers to succeed in their responsibilities through the resources and rewards the leader dispenses in exchange for the followers’ motivation, productivity and task achievement (Barbuto, 2005; Nahavandi, 2009). The theory suggests that, when the work environment of the follower does not provide the necessary motivation, direction and satisfaction, the leader will make available compensation for the follower’s experienced deficiencies in the organization (Den Hartog, Muijen, & Koopman, 1997). The related contingency reward is the reward made available to followers for achieving goals. Although there are arguments supporting the effectiveness of transactional relations in achieving performance, an exclusive focus on the exchanges and transactions with followers has been criticized in the case of a) low expectations of followers and b) non-performing organizations (Banerji & Krishnan, 2000; Barbuto, 2005; Nahavandi, 2009). A particularly strong critique is that transactional leadership fails to inspire followers to reach for excellence, and focuses on short-term, immediate outcomes rather than on long-term commitment (Nahavandi, 2009), because the work environment of the follower does not provide the necessary motivation, direction and satisfaction (Den Hartog et al., 1997).

2.3. Charismatic Leadership

Charisma refers to an enthusiastic, self-confident quality in a leader whose personality and actions influence people to behave in certain ways (Nahavandi, 2009). Charismatic leadership theory describes what to expect from both leaders and followers (Mittal, 2015). In an organization, charismatic leaders usually arise in a crisis or during major administrative changes to empower their followers and lead the call for organizational reform (Hinkin & Tracey, 1999). Charismatic leaders inspire eagerness in their teams and are energetic in motivating employees to move forward (Mittal, 2015). These leaders develop special relationships with their subordinates through inspiration of the shared vision, and are characterized as going beyond goal-setting, resource use and conducting business. Subordinates consider this type of leader as a “real” leader and followers are attracted be-
cause of the leader’s personal characteristics (Kouzes & Posner, 2003; Nahavandi, 2009; Smith, Montagno, & Kuzmenko, 2004). Charismatic leadership is most likely to emerge during uncertain conditions in the organizational life cycle, particularly in the early and late stages when the organization is more likely to lose its direction (Hinkin & Tracey, 1999). Nahavandi (2009) suggests that such leaders are more likely to appear in organizations that are characterized by a flexible and organic structure and a non-bureaucratic culture. Charismatic leadership is a leadership style that is identifiable, but its characteristics may be less tangible than those of other leadership styles (Bell, 2013).

2.4. Transformational Leadership

Transformational leaders are able to transform people from followers into leaders (van Linden & Fertman, 1998) and to influence followers to transcend their self-interests for the greater good of the organization (Bass, 1990). Transformational leaders motivate and inspire followers to achieve extraordinary goals (Berson & Avolio, 2004), and are process-oriented (van Linden & Fertman, 1998). According to Banerji and Krishnan (2000), transformational leaders exploit the situation to launch and sustain the transformation process in organizations. To be able to do this, they must have the ability to articulate a compelling vision and to clarify any ambiguity that followers perceive, to ensure that everyone is following the new path. The common characteristics of authentic transformational leaders have been identified as: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass & Avolio, 1994; Nahavandi, 2009). Avolio (1994) found that transformational leadership encourages individuals to greater moral responsibility by motivating them for the good of the organization (Den Hartog et al., 1997).

Previous discussions on leadership theories have indicated strong support for transformational leadership and charismatic leadership in enhancing organizational performance (Mittal, 2015). These two theories envisage forward looking leaders who are able to foster innovation, motivate employees to performance beyond normal expectations, and establish core values where employees put aside their personal interests for the greater good of the organization (Samad, 2012). However, organization performance and achieving the goals of an organization require leaders who are also innovative (Samad, 2011). This implies that the characteristics of transformational leadership and charismatic leadership are still inadequate to achieve organizational excellence, particularly in the face of ongoing rapid changes in technology and globalization. Research by Devinney et al., (2001), for example, concluded that the greater the amount of innovation within an organization, the greater its market and financial performance. A recent study by Miller et al., (2012) supports this conclusion and identifies the critical organizational innovation elements that differentiate effective leaders from ineffective leaders, including an explicit investment in innovation strategy, innovation governance, and innovation leadership (Shavinina, 2011), elements which are not emphasised in the charismatic and transformational leadership models (Samad, 2012). According to Porter and Malloch (2010) innovation leadership is necessary to analyse and synthesize the impact of the dramatic changes in the organization and to achieve sustainable performance. Thus new attributes for leaders are required for meeting the increasing demands for innovation in many facets of organizations. Research findings suggest that the behaviours of innovative leaders are different from those of other leadership behaviours that have been deemed to be sufficient in conventional leadership development initiatives (Hamel & Labarre, 2011; Teece, 2009). This is backed up by Parker and Bradley (2000), who stated that innovation leadership is greatly needed in an organization so that the organization can be flexible, adaptive, entrepreneurial, as well as innovative, to effectively meet the changing demands of today’s business environment. Hence, it is suggested that there is a research gap—an absence of empirical studies that identify successful innovation leaders.

2.5. Innovation Leadership Approach

Innovation leadership proposes that leaders play a multitude of roles when facilitating innovation in organizations, especially roles that influence creativity and innovation. With the appropriate leadership, successful innovation becomes a realistic and achievable goal; however, without it, the challenge may prove insurmountable (Hunter & Cushenbery, 2011). Organizations that actively pursue excellence require support from the organizational hierarchy, and a culture that values and nurtures creativity (Horth & Vehar, 2012), considerable resources and a deliberate focus on innovation. Innovation leaders are those managers, executives or entrepreneurs—whatever their functions or positions—who successfully initiate, sponsor, and steer innovation in their organizations (Deschamps, 2003).
The term “innovation” is often used interchangeably with other terms, such as new or novel idea, radical, change, and creativity (Waples, Friedrich, & Shelton, 2011). Organizational success requires innovation leaders who can inspire a mind-set that opens an organization to discovery; and the development of the framework that supports an innovation strategy and empowers people to make the right choices (Stevenson, 2012). As Horth and Vehar (2012) explain, innovation can be a “new-look” or a “re-look”, but both require innovation leadership. Innovation leadership is a process of creating the direction, alignment, and commitment that is needed to create and implement something new that adds value to an organization. Hence, innovation leadership is about being able to form an integrated overview of innovation and, at the same time, lead the components of innovation in a strategic manner (Ailin & Lindgren, 2008). Thus, innovation leadership is not the management of an innovative product development project; rather, it is the process of leading the company’s innovation portfolio strategically. Specifically, innovation leadership is vital for consistent superior organizational performance (Samad et al., 2015).

Innovation leadership is defined as the process of creating the context for innovation to occur; creating and implementing the roles, decision-making structures, physical space, partnerships, networks, and equipment that support innovative thinking and testing (Porter & Malloch, 2010). Adjei (2013) defined innovation leadership as the synthesis of different leadership styles in organizations to influence employees to produce creative ideas, products, services and solutions. According to Adjei, because innovation leadership is a complex concept, there is no single explanation or formula for a leader to follow to increase innovation.

Further consideration of innovation leadership is important to improve the body of behavioural leadership theories, which mainly stress only the capability of individuals or leaders (Adjei, 2013). Hence, in line with the definition given by Van de Ven and Chu (1989), innovation leadership encompasses the encouragement of individual initiatives, clarification of individual responsibilities, provision of clear and complete performance evaluation feedback, a strong task orientation, emphasis on quality group relationships and trust in organizational members.

Innovation Leadership Models

Horth and Vehar (2012) have suggested that innovation leadership is constituted from three broad areas: 1) a tool set: the collection of tools and techniques used to generate new options, implement them in the organization, communicate direction, create alignment, and cause commitment; 2) a skill set: a framework that allows innovation leaders to use their knowledge and abilities to accomplish their goals. More than tools and techniques, it requires facility, practice, and mastery of processes; and 3) a mind set: the attitudes and resulting behaviours that allow the tools and skills to be effective. The mind-set is the fundamental operating system of the creative thinker and it distinguishes those leaders who enable creative thinking and innovation from those who stifle it.

Roscorla (2010) proposed that innovative leadership should incorporate the following behaviours: 1) Embrace a challenge; 2) Drive change through collective creativity and knowledge; 3) Shape the culture of the organization; 4) Establish a professional learning system; 5) Decide and systematize; 6) Ensure digital access and infrastructure; and 7) Demand accountability. On the other hand, Lindgren and Abdullah (2013) have proposed a five-element innovation leadership model for a company to effectively implement innovation leadership. The elements to consider are: 1) The task of innovation leadership; 2) The field of innovation leadership, 3) The success criteria for the company’s innovation leadership task; 4) The model of innovation leadership used in the company and 5) The process of innovation leadership.

In addition, Shavinina (2011) proposed a model of internal structure of individual innovation leadership based on the individual at five levels. The theory explores a significant issue necessary for understanding the nature of innovation leadership, namely: “How does it happen that some individuals become innovation leaders while others do not?” Shavinina’s theory argues that to successfully address this question, mainly psychological mechanisms should be taken into account, specifically the developmental and cognitive processes. The theory explains 1) A developmental foundation of innovation leadership; 2) The cognitive basis of innovation leadership; 3) Intellectual manifestations of innovation leadership; 4) Metacognitive manifestations of innovation leadership; and 5) Extra cognitive manifestations of innovation leadership. They constitute the first, second, third, fourth, and fifth levels, respectively, of the internal structure of individual innovation leadership. The study of innovation leadership has attracted more attention in recent decades and has become a new area of study to contend with the complexities of value creation (Shavinina, 2011).

Carmeli, Gelbard, and Gefen (2010) studied the importance of innovation leadership on organizational per-
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Performance. The researchers had adopted innovation leadership behaviours from the Minnesota Innovation Institute, which proposed six leadership behaviours as follows: 1) Encouraging individual initiative; 2) Clarifying individual responsibilities; 3) Providing clear and complete performance evaluation feedback; 4) Maintaining a strong task orientation, 5) Emphasizing group relationships and, 6) Demonstrating trust in organizational members.

Vlok (2012) also suggested an innovation leadership profile based on competencies of innovation leaders, that is: 1) strategist, 2) capacity builder, 3) match maker and 4) achiever. Vlok’s (2012) findings concluded that the model provided a coherent profile of innovation leadership competencies rather than being just another contribution at individual element or specific discipline level. Vlok’s competencies were derived from observations of successful innovation leaders in practice. The profile is descriptive enough to serve as an assessment framework for leadership development, but it provides opportunities for further refinement and validation. Further research on the profile will contribute to the professionalization of the innovation leadership discipline.

3. Discussion

Empirically, the effectiveness of a charismatic, transformational and innovative leadership on organizational performance has already been established. For instance, charismatic and transformational leadership have been shown to be positively related to performance in the US and North American organizations (see, for example, Bass, 1990; LeBrasseur et al., 2002; Mekraz, 2011), in Korean companies (Jung & Sosik, 2002), and in Taiwanese organizations (Liaw et al., 2008). Such leadership is important for performance in the private sector (e.g. Hater & Bass, 1988; Yammarino & Dubinsky, 1994), the educational sector (e.g. Harvey, Lins, & Roper, 2004), in non-profit organizations (e.g. Bass, Avolio, Jung, & Berson, 2003), and in the government sector (Goodwin, Wofford, & Whittington, 2001).

The literature shows that transformational leadership increases the effectiveness of the strategic planning role in enhancing the organization’s performance (Goodwin et al., 2001; LeBrasseur et al., 2002; Mekraz, 2011). Samad and Abdullah (2012) found that transformational leadership played a significant role in the organizational performance of logistics companies in Malaysia. Samad et al., (2015) in their model of organizational performance, have proposed the role of leadership as the moderator in the relationship between strategic planning and organizational performance. This is consistent with Sherman et al., (2006), who suggested that, to strengthen the relationship between strategic planning and organizational performance, certain variables must be integrated in the relationship; Among these variables are organizational culture, organizational contextual factors, organizational strategy, and leadership. This underscores the importance of leadership as a key moderator variable in the strategy-performance relationship.

Innovation leadership has been explored in creativity research (Mumford, Scott, Gaddis, & Strange, 2002; Redmond, Mumford, & Teach, 1993). It has also been studied from various perspectives (Van de Ven & Chu, 1989), including from the perspective of entrepreneurial research (Gupta, MacMillan, & Surie, 2004; McGrath & MacMillan, 2000). All these studies indicate that innovation leadership promotes and supports an exploratory orientation by cultivating a context for change and adaptation among organizational members (Christensen, 2013; Hammer & Champy, 2009; Van de Ven & Chu, 1989) which usually result in enhanced organizational performance (Carmeli et al., 2010). Deschamps’ (2003) research on innovation leadership has revealed that innovative leaders are very interested in and receptive to new ideas proposed by their colleagues and subordinates, and this can potentially lead to new products, services and processes and, ultimately, can improve organizational performance (Horth & Vehar, 2012). Carmeli et al., (2010) examined the role of innovation leadership in cultivating the strategic fit of the organization with its environment, and enhancing various economic relationships and product performance outcomes. Their findings reveal that innovation leadership is an important factor that significantly enhanced firm performance.

Vlok (2012), who proposed innovation leadership competencies, suggests that there is a knowledge gap related to which innovative competencies might be critical for successful leadership to take place. This was also raised by Deschamps (2003), who stressed that the contemporary literature and research on innovation provided a fragmented picture of innovation and leadership. Therefore, Vlok argues, there should be a specific focus on the combination of innovation and leadership, or on the strategic role that innovation leadership plays in companies (2012). Carmeli, Gelbard, and Gefen (2010) investigated the role innovation leadership in cultivating the strategic fit of the organization with its environment, and enhancing various economic relationships and product performance outcomes. The results indicated that innovation leadership significantly enhanced firm perform-
The preceding discussions have examined the concepts, models, theories and rationale for innovation leadership. The arguments are persuasive and widely applied in organizational research, especially in relation to charismatic and transformational leadership. For example, transformational leadership theory has been widely studied with validated instruments, and this construct has demonstrated an empirical link to organizational excellence (Samad et al., 2015). However, a broad review of all of leadership theories demonstrates that they are incomplete without the attribute of innovation leadership. According to numerous researchers (for example, Carmeli et al., 2010; Deschamps, 2003; Nort & Vehar 2012; Shavinina, 2011; and Vlok, 2012), this element is critical for bringing about change and enhancing the performance of organizations. Shavinina (2011) has suggested that, in the light of the ever increasing importance of innovation in contemporary society, innovation leadership should become the focus of intensive research.

It can be concluded that innovation leadership has a significant role to play in organizational performance and it adds considerably to the corpus of leadership theory. The results of the current literature review show that innovation leadership is relevant to multi-leadership attributes, and should be examined from different perspectives.

4. Conclusion

Although new attributes for leaders are needed to meet the increasing demands for innovation in many aspects of organizations, limited attention has been paid to identifying which specific aspects are required for a successful innovation leader. This paper has revealed that innovation leadership is relevant to multi-leadership attributes. Attributes of charismatic leadership, transformational leadership and innovation leadership are the principal precursors to innovation leadership. This clarification may provide some insights into how innovation leadership can enhance organizational performance in modern organizations. The paper’s findings are of value to academics, because they provide a starting point for further research in this area. In-depth analysis of innovation leadership attributes and the development of more comprehensive innovation leadership measurements are required. In addition, future research should focus on examining the role of innovation leadership, based on multi-leadership attributes and competencies, in achieving higher levels of organizational performance and sustainability.

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