

# The Leadership and Innovation: Prospects and Challenges

Zakeer Ahmed Khan PhD Dr. Allah Nawaz Irfanullah Khan PhD  
Department of Public Administration, Gomal University, Dera Ismail Khan

## Abstract

The contemporary competitive landscape is being driven by globalization, hyper-competition, technological revolution, price and customer satisfaction and extra-ordinary focus on quality, demanding an increased emphasis and recognition on innovation, being a strategic competence. A majority of scholars have opined that these two constructs are tightly intertwined. Numerous researchers recommended the positive relationship between the leadership and innovation. Innovation management is a cumbersome process entailing consistent support and involvement. Evaluation of the leadership, innovation relationship is very vital in a developing countries context since organizations often confront intense competition, institutional flux and macroeconomic volatility. The hierarchal leadership resulted in toxic organizational cultures that influenced innovation implementation and thus quality.

## 1. INTRODUCTION

As technology, globalization and information continue to grow and impact organizations, the traditional conceptualization of the leader, as an individual, is no longer complete. Administrative leaders can no longer possess or access enough information to make well-informed decisions. The methodologies of command-and-control restrict information, prevalent in traditional leadership theories and create a culture of reliance on the leader for all answers. A lack of innovation competency creates a greater barrier to innovation, which can have more relevance to and impact on the organization than those solutions originating strictly from formal leader roles (Amabile, Schatzel Moneta & Kramer, 2004). Therefore, a new framework of leadership is required to understand how innovation can be facilitated in dynamic, challenging and competitive organizations.

The invention is the first incidence of an impression for a new creation, service and process, whereas the innovation signifies placing somewhat into practice, a new way of doing things, a new value and a new application of an old concept. To be able to turn invention into innovation organizations normally need to combine several different types of knowledge, capabilities, skills and resources (Ramamoorthy, Patrick, Slattery & Sardessai, 2005). For example, the introduction of a fresh technology will have need of new equipment, new skills and knowledge through learning, training and improvement along with an entire system approach to make sure a joined-up service. Innovation is the thoughtful overview and application within the products or procedures, processes, planned to benefit the individual, new to the related adoption of role, the group, society and organization (Gumusluoglu & Ilsev, 2009).

Leadership literature reveals that theories have been refined and modified with passage of time and none of the theory is completely irrelevant. As mentioned earlier, relevance depends on the context in that it is applied. The type of leadership applied in functions entailing very high degree of precision, confidence level, sensitivity, care and technical expertise may be different than in simple management-oriented portfolios, as one that does not fit all heads (Imran & Anis, 2011). It means that situations, contexts, culture, working environment, new laws and regulations, information overload, organizational complexities and psycho-socio developments remarkably impact the leadership concept thereby, making it commensurate to the changing organizational innovation.

## 2. THE REVIEW OF LITERATURE

### 2.1 The Leadership

Leadership is one of the most frequently used terms in entire spectrum of human activities in today's competitive world. This term has been used in the past to distinguish the heads of states, military commanders, chieftains, kings and principles from rest of the society. The majority of leadership researchers and scholars conceptualize and carry out studies in the developed states whereas, limited understanding of the current dynamics of leadership concepts are available in non-western contexts (Dess & Picken, 2000). The need to examine leadership in different countries arises from the variation in predilections for different leadership styles from one culture to another. Even as business research in developing countries increases, western thought continues to dominate business theory and practice. The concept of leadership entails numerous theories, concepts, dimensions and facets, to the extent that considers even its definition as ambiguous (Denis, Lamothe & Langley, 2001).

In fact, the meaning of leadership varies from institution to institution. Study of the literature related to management and literature characterizes leadership as collective, purposeful, causative, morally evocative, transformational in perspective and diverse in existence. Numerous explanations, classifications, theories and

definitions about leadership, exist in the contemporary literature (Buchanan, Fitzgerald & Ketley, 2007). Substantial effort has gone in to classify and clarify different dimensions of active leadership thus, generating considerable organizational and social research of leadership styles and behaviors. Many researchers and practitioners have developed a consensus that the progression of thinking over the years has developed a belief that leadership is a flexible developmental process, with each new piece of research building on the innovative approach (Ryan & Tipu, 2013).

## **2.2 The Organizational Innovation**

Organizational innovation can be defined as the development of useful and valuable new products or services within an organizational framework. The organizational innovation is the propensity of the organization to create new or improve products or services and its success in bringing those products or services for benefit of the consumers". Innovation is surely not limited to clearly profitable organizations but creativity and innovation also have a significant place in the services domains like health sector (Anderson & Nijstad, 2004). Like in private sector, it also significantly contributes towards enhancing effectiveness and efficiency in public sector, thereby, raising productivity. Innovation embraces diverse administrative tools such as novelty, creativity, research and the organizations propensity to support novel ideas for attaining competitive advantage in a dynamic environment. The innovation, primarily, is based on ideas that are developed, transmitted and transformed by individuals (Axtell, Holman & Wall, 2006).

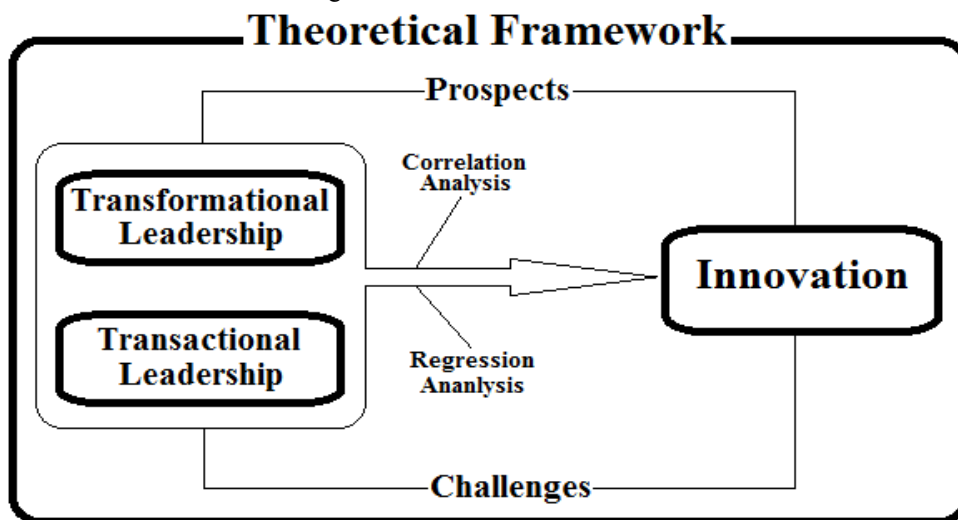
This suggests that the situation where the new idea, product, service and activity are implemented will determine if it can be considered as an innovation within the certain specific context. The innovation has been measured and researched from different interpretations and perspectives. The innovation is based on invention efficacy and invention efficiency (Gumusluoglu & Ilsev, 2009). A review of listed references to available documents identified various large-scale data sources to appraise public sector innovation in advanced economies, with the exclusion of service providers for education and education, which were specifically omitted. None of the large-scale research encapsulates all categories of public sector organizations, with most emphasis on public administration. Numerous researchers evaluated innovation by large state-owned but profit-oriented enterprises (Imran & Anis, 2011). The research, however, conducted the only study that examines innovation in semi-autonomous public organizations.

## **2.3 The Leadership and innovation**

Leadership and innovation are the issues of interests among practitioners and scholars that play important impression towards organizational performance and competitive improvement. Numerous researchers have been emphasizing the questions whether leadership and innovation nurture higher performance and whether preceding performance is ambitious by leadership and innovation. Therefore, sorting out the relationship of organizational performance, leadership and innovation has bound researchers to conduct additional research in the same area (Dess & Picken, 2000). The relate literature revealed the direct association between organizational performance and innovation but the outcomes remain questionable. Numerous studies showed positive association and others found no significant relationship between organizational performance and innovation. The organizations are exposed to several issues. This suggests that innovation is not the only factor that influences organizational performance (Axtell, Holman & Wall, 2006). The sources of competitive advantage are the external and internal factors that lead to performance of the organization.

The present study donates to a theory driven model of the development of leadership in Pakistan. Among, evolving active leadership in managerial or executive positions is vital since of the necessity in the distribution of innovations for a professional leader in the public sector (Anderson & Nijstad, 2004). The leadership of physicians is vital not only for the influence role but also to assist committed physicians over the gap that lies between understanding about a scientific innovation and put it on the useful situation of medical practice which includes many magnitudes, to facilitate scientific research in fact change to turned into clinical practice. Consequently, increasing the physician leadership by means of a dependable, leadership model (theory driven) could arise as a significant approach to speed up the wide-range acceptance of practices of evidence based for a long term cost containment and quality improvement through better care practices and chronic disease management, the two top priorities in the agenda (Buchanan, Fitzgerald & Ketley, 2007).

Figure 1.1 Theoretical Framework



### 3. DISCUSSION

In the contemporary era, scholars have called devotion to the prominence of the resources of organization for example, for organizational performance, the leadership abilities and the organizational innovation. It is becoming vital for the organizations, due to the increased rivalry to transform and go further than their traditional management practices. The leadership also feels under pressure to find transformational characteristics and high performance in them. As related to leadership, novelty is encouraged with the support of transformational leadership (Anderson & Nijstad, 2004). The transformational leaders are future oriented, concerned about planning, open-minded and energetic. For their subordinates, the leaders with this style of leadership become role models by gaining their confidence and trust. They pursue progressive and new techniques of working, build employees commitment and morale. These leaders inspire subordinates to think beyond themselves and converted into high performers (Buchanan et al., 2007).

New management practices suggest the loose definition of roles and functions for team members juxtaposed setting of clear key performance goals and indicators by senior management in leadership behaviors towards innovation. Processes related to the management of projects are run by self-managed teams, with senior management intervening only when key performance indicators appear to be compromised. Some of these key benchmarks and performance indicators are set at the team level, which ultimately affect compensation structure of the team members (Gamble, Hanners & Lackey, 2009). In this way, reward and accountability are placed at the team level, whereas, teams' members can introduce changes in the organizational structure like managing the plant round self-organized teams, prompt decision-making in order to achieve organizational innovation. This facilitates networking within teams, with different internal stakeholders, such as maintenance and technical, in order to search for new ways to improve efficiency and novelty (Imran & Anis, 2011).

The leadership with different style encourages the workforces to find new solutions to the problems, look for new prospects and think differently. The followers are motivated to analyze problems in innovative ways, to adopt innovative approaches in their work and to perform beyond expectation. The health system standards are foundational building blocks of the culture and have an impact on the process of innovation. The innovation is derived from the core activities of the organization (Blumenthal, Bernard, Bohnen & Bohmer, 2012). The literature suggests that innovation caring philosophy is imitated by the health system daily practices and structure of the organization and originates from basic standards of the organization as these standards foster the innovation process and the strengthen the culture.

### 4. CONCLUSION

The study has been conducted to learn and refine the research mechanics summarizing the impact of leadership on organizational innovation. A majority of scholars have opined that these two constructs are closely tangled. The related literature suggests the positive relationship between innovation and future organizational outcomes. Innovation management is a cumbersome process entailing consistent support and involvement of the employees to bring and adopt the innovative measures to increase the efficiency and effectiveness overwhelmed at the augmented performance. Evaluation of the leadership, innovation relationship is very vital in the context of developing countries since organizations often confront intense competition, institutional flux and creativity postulated the hierarchal leadership resulted in toxic organizational cultures which influenced innovation

implementation and thus the quality. Although, the problems are age-long rather entrenched, yet a visionary, dedicated and committed leadership can fix the situation through innovative, comprehensive and concerted efforts. There is an ardent need to conceive, plan and implement certain well-concerted measures to the grade of innovations to bring the whole system out from the cleavages of status quo marked by lethargy, insensitivity, incompatibility and apathy.

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