

Innovative Leadership: A New Age Approach towards Business Sustainability

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Abstract

Long believed to be the key, to the long-term health and success of a business, conversation about the importance of innovation has become increasingly common recently. Leaders are now focusing more on improving competitiveness through innovate product development and through innovations that streamline business practices to improve efficiency. Organizations have found that they need leaders who are focused on innovation and who have the ability and willingness to think beyond short term needs. The most creative person in the world is unlikely to innovate effectively in a company that doesn't support innovation and even the most innovation-supportive companies in the world will not reach the innovation potential without creative people in place to do the work. The challenge is to know where to focus the efforts for change. The reality is that increasing innovation isn't about either having creative people or creating a workplace that faster's innovation; both must be present for innovation to thrive.

Keywords: Creativity, Innovation, Intrinsic, Emotional Quotient.

Introduction

Innovation is the specific instrument of entrepreneurship. The act that endows resources with a new capacity of creative wealth.

- Peter F. Drucker

Since the earliest times, companies have been preoccupied with the finer aspect of a leader's habits, qualities, and personality "what constitute a good leader"? "What makes a successful leader"? Winston and Patterson (2006) presented an integrated definition of a successful leader as "A person having power to influence one or more followers, who have diverse gifts, abilities and skills and focuses the followers to the organization's mission and objectives. A leader willingly and enthusiastically expends spiritual, emotional, and physical energy in a concerted co-ordinated effort to achieve the goals. By considering the importance of leadership in organizations, many people in the past have tried to come up with the theories and techniques to understand different leadership styles. These leadership styles or models have changed from time to time- from conventional to contemporary leadership styles (emergent models) which became

more widespread and accepted within the last ten years’ time. Traditional leadership models include trait theory, behavioural and situational models. Charismatic, transformational and transactional leadership models are the main contemporary models.

In today’s highly competitive corporate environment, with increasing demand for competitiveness and effectiveness, all organizations face a dynamic environment characterized by rapid change, shortening product life cycle, and globalization, leaders need to be more creative and innovative than before to survive, to compete, to grow and to lead. The leaders right now are expected to be multifaceted who can apply new thoughts and strategies in the company that can energize the operating setting, develop much better communication methods and sustain the competitive benefit that the company enjoys in the industry. As per 2010 global IBM CEO study published recently, surveying 1541 CEOs, general managers, and senior public sector leaders from 60 countries and across 33 industries, it becomes clear the extent to which the economic downturn has affected customers, business, and society, we will not simply go back to business as usual once we recover from this economic downturn. The world has undergone a significant paradigm shift and we will never be the same.

As global leaders are experiencing high level of complexity and uncertainty, the most important leadership quality required over the next few years is *innovation*.

“They need it for themselves, as they learn to operate in challenging, unpredictable circumstances”. They also need to create a climate for innovation within organization. Innovation systems, creativity and out of box thinking are essential for organizational health and future viability.

Findings of 2010 Global IBM CEO Study, CEOs cited creativity and innovation, as the most important leadership quality over the next five years.

Leadership Qualities	Innovation and creativity	60%
	Integrity	52%
	Global Thinking	35%
	Openness	28%
	Communication	26%
	Empower Subordinates	26%
	Flexibility	12%
	Business	12%

Innovative Leadership: Need of the Hour

In view of the above, innovative leadership is the new age management approach and leaders are now focusing more on improving competitiveness through innovations that streamline business practices to perform efficiency. Organizations have found that they need leaders who are focused

on innovation and who have the ability and willingness to think beyond short term needs and to resist the temptation to cut back on the resources that feed innovation.

“Innovation is the ability to see change as an opportunity not a threat.”

It includes adding or creating something new. Innovation requires something more than knowledge and competence; it requires imagination, creativity, and intuition. Innovative leaders can look at things from different angles, which are different from routine, customary and traditional which require imagination.

“Innovation is either a machine or a magic garden because it a machine, companies should design it. Because it is a garden, companies should create conditions under which it can flourish, stand back and when the magic occur then harvest it. Innovation is both, of course.

-Tom Stewart; Harvard Business Review Editor

Innovative leaders can anticipate change, vigorously exploit opportunities, motivate their followers to high level of productivity, correct poor performance and lead the organization towards its objectives. The spirit of innovation is evolutionary rather than revolutionary.

Any organization must have a bias towards intelligent and creative young people of course; intellectual qualities are not enough. Industry needs doers-people who can make things happen rather than thinkers as such. There are plenty of good ideas around. The real issue is whether you have the people in your organization who are willing to put new ideas to work.

Literature Review of Leadership, Innovation Research

Most durable definitions tend to view leadership as primarily, a social process that takes place in group context where the leader influence followers to behave in a certain way to achieve goals. There are many leadership models in literature. Most emphasize the social psychological process that motivates followers.

Recent work on one theory of leadership transformational leadership-is particularly important as it appears to have a stronger research base and provides a more integrative perspective on effective leadership than earlier theories, traditional leadership models mainly include trait and behavioural model of leadership the main feature of a traditional leadership model is, what stresses on supervisory control over employees.”(Schnabel, dumler & Cochran 1993) The fundamental principle of trait theory is that a good leader was born as a leader and not made to be a leader (slack & Parent, 2006) Behavioural leadership model emphasize the behaviours of leaders behavioural leadership has three styles- Autocratic, Democratic & laissez-faire (manning & Curtis 2003) situational leadership model is another traditional leadership approach, In which the style of leadership will match to the level of readiness of the followers’ (slocum & hellriegel, 2007).

All these models however have been criticized limitations of the trait approach include the difficulties involved in defining the traits which has led to inconsistent result (Bryman 1992, 1999) limitations attached to the style approach are that like trait theory, it ignores situational facts (Bryman 1992) The research on trait and style approach caution us that while some aspects of leadership may be teachable (Styles) some may not (traits) therefore both training and selection may be important instrument of leadership development.

On the other hand, contemporary trend has seen leadership research shift to a view of leadership as “the active promotion of values which provide shared meaning about the nature of the organization (Bryman 1999’27) One of the better known and promising models is that of transformational/ transactional leadership by Bass and Avolio (1994) Transactional leadership style is based on an exchange of service for various kinds of rewards that the leader controls, at least in part (Leithwood 1992). They act when related activity is not going according to plan (Bass and Avolio 1994). Transformational leadership is defined as the collective action that transforming leadership generates empower those who participate in the process (Leithwood 1992) These leaders are capable to bring up with a significant change, the followers of these leaders are loyal and trust the leader’s values, behaviours, and vision (Borkowski 2005)

Innovation: To innovate means literally to bring in or introduce something new-some new idea, method, or device. The novelty may, of course, be more apparent than real, for newness is a relative term, what is new to me, may already be familiar to you. Innovation as a wider concept has certain important facets. To unbundle the concept of innovation, we draw on the relevant academe and practitioner iterative to explore what innovation is and what its dimensions are. Innovation can be generally cribbed as the quest for funding new ways of doing things. (Grant, 2002),

Not limited to technological Changes, even though it is frequently described in this manner. Broadly defined, innovation refers to change (Tidd, Bessant and pavitt 2001) and includes the creation and commercialization of new knowledge. A widely accepted definition states that creativity is the production of novel and useful ideas, and innovation is the successful implementation for creative ideas within an organization (Anakite 1983, 1998, Amabileet 1996). Innovation has become the subject of much interest among policy makers, business practitioners and academicians. In a recent DIT report, innovation is defined as “the successful exploitation of new ideas (Porter and Kitils 2003). The importance of leadership processes to innovation is illustrated by work of numerous authors. It has been suggested that more successful firms have more tangible and visible signs of top mgt. commitment to innovation, especially in terms of providing adequate funding and resources than unsuccessful firms (kuczmarakit associates 1994) Mercer Management consulting 1994). It would thus appear that it is important for leadership to function as architects and designers in creating an innovation organization.

Linking Leadership, Innovation and Organization

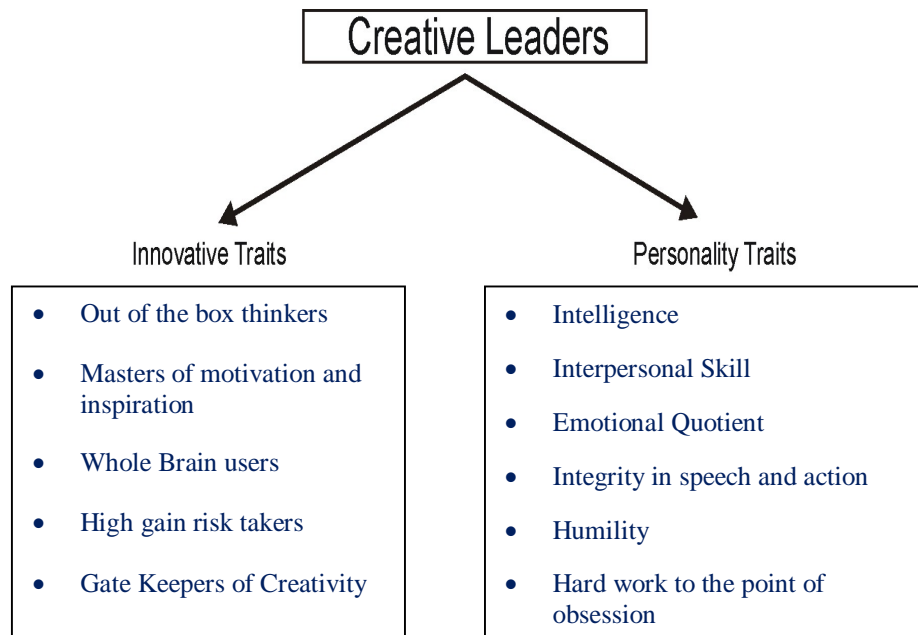
“If you introduce creativity and innovation into your workplace, it will greatly enhance everyone’s enjoyment of work. For people get much more out of work if they put their minds fully into it. As Noel cowad said, “work is more fun than fun.”

Innovation is critical for organization’s long-term prosperity and growth particularly in dynamic markets. Given the current economic turbulence and increasing global competition, an organization’s ability to innovate is regarded not only as vital for success, but often a requisite for their survival. Companies have found that they need leaders who are focused on innovation, and who have the ability and willingness-to think beyond short term needs and to resist the temptation to cut back on the resources that feed innovation. Companies are always looking for people who know how to put new ideas to work effectively and responsibly in every corner of their organization. They need people who will define what is next in our markets and societies, CEOs and leaders throughout organizations know they need to change the way they work. As problems and circumstances become more complex, they don’t fit previous patterns. To make effective sense of unfamiliar situations and complex challenges, leaders must have a grasp of the whole situation including its variables, unknowns and mysterious forces. This requires skill beyond every day analysis. It requires innovative leadership.

Leadership can affect creative behaviour through its inference on the followers’ perception of a climate supportive of innovation. The innovative leaders can establish a work environment encourage creativity. Innovative leaders, by intellectually stimulating their followers, championing in innovation, and articulating a compelling vision throughout their organization. They establish an environment where employees feel challenged and energized to seek innovative approaches in their jobs.

What do we Know about Innovative Leaders?

Innovative leaders know their domain very well; they are curious, passionate, and more interesting in doing their jobs well than in career advancements or in pleasing the boss, and they a good record of originality. The qualities and characteristics of innovative leaders are summed up as follows:



Innovative Leaders are Out of Box Thinkers

There is one thing stronger than all the armies in the world, and that is an idea whose time has come”

Victor Hugo

Innovative leaders fully understand the real essence of this statement and for this reason they always think out of the box. It means approaching problems in new and innovative ways, Conceptualizing problems differently and understanding their position in relation to any particular situation in a way they'd never thought of before. Thinking out of the box represents the new dimensions of thinking where new ideas are developed and improved and effective alternate solutions are generated. Out of box thinkers don't operate within the limitations of current reality, rather they have the power of looking beyond their limitations. These leaders can easily turn a mediocre solution into a great solution. There are great names like John McCain, Theodore Roosevelt, Bobby R. Innovand and many more that we either admire or just accept- what they did for us has helped our lives to the extent that without their innovations, things may have been a lot different. The common thing among all those names is that they all thought out of the box.

Innovative leaders are Creative Gate Keepers

Quite often leaders achieve creative results not by being original thinkers but by recognizing and encouraging the innovations and new ideas of others, thus acting as gate keepers to innovation. An innovative leader contributes to creativity by supporting individuals who are likely to change existing ways of doing things, by providing conditions for the generation of novelty and by

recognizing and supporting the best that is produced. Leaders who contribute to the creative process as gate keepers fulfil three major tasks- First they hire, nurture, and promote potentially creative members in their team. Second, they stimulate novelty in the organization, recognize potentially valuable ideas and finally they back the best ideas with resources until they become part of what the organization does. Most military leaders from Alexander the great to General Montgomery, Rommel and Patton were successful because of their unexpected tactics which confounded the enemy.

Masters of Motivation and Inspiration

Innovative leaders accomplish two overwhelmingly important things: they make people feel good about them and make them feel good what they are accomplishing. They first get people excited, then committed and finally moving swiftly. They tap into secret chambers of the mind and souls of people and know which “button to push” to activate their staff’s pride, faith, hope, and perseverance. Innovative leader makes their followers feel special. They help their employees fulfil a deep longing for creativity and innovation.

“Top leaders have become leaders by learning ways to motivate, inspire, lead and empower people. They have mastered the skills without which others have failed”

Whole Brain Users

Creative leaders believe in whole brain thinking process. They engage both sides of the brain to increase innovation.

Scientifically human brain is divided into two sides-left side brain and right-side brain. The left side brain (Quadrant A &B) is logical, objective, and rational and fact oriented. It helps in attention, focus, and memorizes the things. In contrast, right side brain (Quadrant C &D) is innovative, subjective and deals with creativity, emotions, and sentiments. It is holistic and feminine. Those who are involved in technical activities are trained to be quadrant A & B thinkers. Those who are innovative, creative, and lead use quadrant C & D. But innovative leaders do effective right /left brain crossover and collaboration for the longititude growth and holistic development of their team and organization. He has a vision that inspires and motivates and at the same time he remains in touch with reality and acknowledge the reality of the challenge. He is a true example of rejecting “either” or thinking and embracing “both and thinking” evidently. The innovative leader use both left and right brain hemispheres.

High Gain Risk Takers

Innovative leaders don’t think small. Their actions and plans are grandiose big and daring and aren’t scared of taking smart calculated risks. These are people who create industries and fortunes, not by cautiously holding back, but by boldly leaping far ahead of the average crowd.

They create culture where imagination, smart risk taking, aggressive initiatives and bold tactics are encouraged and rewarded.

How Organizations Can Build an Innovation Engine

A leader may not be able to magically transform an apathetic stick in the mud into a visionary innovator. But there are actions; leaders can take to increase innovation in the workplace. The challenge is to know where to focus the effort for change and where not to spend valuable time and money. Since innovation is the product of both individual employee characteristics and the environment in which the employee works, organization must provide an environment and work culture to develop innovations taken around. Following major steps must be taken to contribute in the creative process:

1. Selecting and Retaining Creative People

"You need to get the right people on the bus first". Jim Collins (2001) Hiring people who are more intrinsically than extrinsically motivated is a good place to start if you want to improve innovation in the organization. It also helps if they are strongly motivated to meet goals. A person who is both good at and enjoys their work will want to excel because it feels good and meaningful to them to excel. People who are likely to be creative have certain set traits: - They know their domain well, curious, passionate, appear arrogant, self centred and stubborn. Combined with their tendency to take unorthodox perspective, these traits make it difficult for a company to recognize the value of such individuals and to utilize their skills. Most organizations can't use more than a few such individuals at any given time. Potentially creative people are eager for change and in routine positions will become easily bored or disruptive. On the other hand, if they are segregated into a separate think tank, they may become irrelevant to the rest of the organization. It is not easy to recognize and hire original people. It is even more difficult to integrate them productively once they are onboard.

2. Recognizing and Rewarding the Most Useful Ideas

Generating new ideas is relatively easy; the difficult part is recognizing the good ones". This is where a leader's judgement becomes an integral part of creative process. Many firms have started training their employees to "Think outside the box". With the hope of enhancing creativity, almost none have tackled the most difficult problem of how to select the most useful ideas among those proposed. Rewarding the most useful idea will increase motivation because employee who has more autonomy and feel more supported are more intrinsically motivated to do the work. At the same time, the organization should also have procedures in place for handling new ideas for employees. It is important that employees never feel "shot down" when they raise a suggestion-no matter how dumb it is. The more tolerance there is for suggesting innovative approaches, the more likely people will suggest them-and the more innovative options you'll have to choose from.

3. Adopting New Ideas

Recognizing and rewarding promising new idea is useless unless an organization can bring the idea to a productive conclusion. Thomas A. Edison's aphorism that creativity consists in "1% inspiration and 99% perspiration" reflects the fact that without a great deal of political preparation, bench work, trial and error, few great new ideas survive long enough to remember.

4. Provide Ample Organizational Support

Supporting employees both in their day-to-day work and in their efforts to be more creative will go a long way towards improving innovative thinking. Leaders must provide useful feedback to employees; consistently show employees that they are valued. Support the employees by recognizing and rewarding their courage and ability to think differently about a problem. Even supporting an employee in ways that promote balance and well being may be conducive to creativity.

5. Turn Failures into lessons learned

Let people fail and not have consequences. It only takes one person fired because of failure to undermine risk-taking". That doesn't mean ignoring failure -most leaders agree that celebrating failure is a bit of a misnomer. It's all about learning "Celebrate all we can learn from a risk that fails".

Concluding Observation

Innovative leadership is the highest form of leadership because of the huge contributions made in the lives of employees, customers, and community. Innovative Leader takes their companies to far away, exciting destinations. Many of the leadership attributes and skills that drive productivity and employee engagement can unleash creativity and harness the expertise of employees in the name of innovation. Employees need to understand where to devote their brain power and why. The challenge for the leaders is at all levels: To embrace innovation as one of the many paradoxes that define leadership, leaders must develop the discipline to take both /and approach. They need to apply their expertise to managing day to day tasks while at the same time creating the "new and different" and when they succeed; they need to be prepared quickly to manage the change that results from their success. An environment needs to be created in which good ideas are channelled into innovative process, products and services. Making a culture of innovation thinking strictly requires formal system and process that support it.

Leaders should make relentless innovation a religion, emphasize opportunities not problems and encourage innovative behaviour. Establishing the culture of innovation requires a broad and sustained effort. Develop entrepreneurial staff and create a corporate climate that encourages rule breakers and outside the box thinker, encourage experimentation because it is the key to discovery. Without action you can't know whether your innovative ideas will actually work.

Finally, treat failures as learning opportunities, develop a tolerance for mistakes and give people freedom to fail. Learn from failures and start again more intelligently.

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