

The Role of Leadership in Creating Innovative Behaviour in the Workplace

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Abstract

In today's highly competitive global business environment, organizations are revitalizing their workplace strategies for their long-term survival. Change is vital and innovation is the engine of change. Innovation is the key towards overcoming the challenges posed by the competitive business surroundings. To foster innovative behaviours in employees, organizations need to recognize the importance of leadership traits, which includes innovative role-modelling, intellectual stimulation, providing vision, support, required resources, recognition and feedback, as well as playing a major role in consulting, delegating, rewarding and assigning tasks to employees. Leaders are also responsible to educate their subordinates so that they have the skills and attitudes necessary for innovation. These skills and attitudes will help the employees to better adjust to change; able to work in diverse groups; capable of performing with new processes; and produce new or improved products. To sum up, leaders are the key players in initiating the situation for change and cultivating innovative behaviour of their workforce.

INTRODUCTION

In today's highly competitive global business environment, organizations are revitalizing their workplace strategies for their long-term survival. Such changes in the workplace are improvements in communication technology, the desire to improve inefficient management structures, and the need to better manage risk. These changes would enable organizations to sustain their competitive advantage and generate profits. Besides that, organizations could create working conditions that will boost employee productivity and job satisfaction. Thus, one of the most significant and crucial aims is to find innovative people who have that "magic" the company is looking for. In the present situation, organizations should move a step further by nurturing and developing a culture of innovation among their employees. This will enable organizations to encourage their employees to be more creative to generate new ways of producing high quality products or services, and thus contributing to the well-being and happiness of their employees and customers. Furthermore, strategic employees in the 21st century should be innovative thinkers who understand how to apply problem-based learning using out-of-the-box approaches. Besides, leaders should play a vital role to inspire and influence employees to achieve a shared vision in cultivating innovative behaviour. In short, this article intends to highlight leadership traits that are vital in shaping employees innovative behaviour to compete in the challenging competitive environment.

DEFINITION OF KEY TERMS

Innovation

Although the ideas of creativity and innovation are used interchangeably in the literature (Scott & Bruce, 1994), nevertheless the main difference is related to its originality (DiLiello & Houghton, 2006). Innovative behaviour is strongly associated to employee creativity (de Jong & Den Hartog, 2007). Creativity is defined as "the tendency to generate or recognize ideas, alternatives, or possibilities that may be useful in solving problems and a creative idea only truly becomes an innovation when it is implemented successfully in the organization" (California State University, 2007).

Martins and Terblanche (2003) stated that there is no universally accepted definition of innovation and the meaning of innovation in previous studies differ in relation to the level of analysis which it is used.

Innovation can be a result of planned development or it may happen from unforeseen situation from employees or customers (Evitt, 2007).

From previous studies, Herting (2002, p. 299) described innovation as “the generation, acceptance and implementation of new ideas, processes, products, or services” while Patterson (2004, p. 1) identified innovation as the process of generating and applying new ideas to benefit individuals, groups, organizations or wider society. Based on previous literature, Ahmed (1998, p. 30) defined innovation as “an environment, a culture – almost spiritual force – that exists in a company and drives value creation”. In other words, innovation allows company to go further than the current practices in order to establish the future as “it is a process through which value is extracted from skills and knowledge by generating, developing, and implementing ideas to produce new or improved products, processes, and services” (Campbell & Watt, 2004). Consequently, this article will focus on definition suggested by Ahmed (1998).

Innovative behaviour

Janssen (2004, p. 202) defined innovative behaviour as “the intentional creation, introduction, and application of new ideas within a work role, group, or organization, in order to benefit role performance, the group, or the organization”. Carmeli, Meitar and Weisberg (2006) described innovative behaviour as a multiple-stage process in which an individual recognizes a problem for which she or he generates new (novel or adopted) ideas and solutions, works to promote and build support for them, and produces an applicable prototype or model for the use and benefit of the organization or parts within it.

Leadership

Previous literature showed differences between leadership and manager. Cited from Kotter (1997, 1999), leadership concentrate on “coping with change,” and manager focus on “coping with complexity” as management interest is more administrative which include planning, budgeting, organizing, staffing, controlling and problem solving while leadership activities is more interpersonal that are setting a direction, aligning people (with the direction), and motivating and inspiring (Olson & Bolton, 2002).

Among various definitions of leadership obtained in numerous studies are as follows:

Cited from Bass (1997:17), Olson and Bolton (2002) acquired that

“leadership has been conceived as the focus of group processes, as a matter of personality, as a matter of inducing compliance, as the exercise of influence, as particular behaviors, as a form of persuasion, as a power relation, as an instrument to achieve goals, as an effect of interaction, as a differentiated role, as an initiation of structure, and as many combinations of these definitions.”

de Jong and Den Hartog (2007) described leadership as the process of influencing others towards achieving some kind of desired outcome. From citation of Warren Bennis, The Teal Trust (n.d.) defined leadership as “a function of knowing yourself, having a vision that is well communicated, building trust among colleagues, and taking effective action to realize your own leadership potential”. The Teal Trust also described leadership as “the process of influencing the behavior of other people toward group goals in a way that fully respects their freedom”.

TYPOLOGIES AND IMPACT OF INNOVATION

Based on Daft (1986) book on “organization theory and design”, typologies of innovation can be classified into four: technological, administrative, human-resources, and product/service innovations (Herting, 2002). The first three categories concentrate on processes or structures while the latter is outputs of an organization.

Technological innovations are described as those innovations that would make production more competent and enhance the quality of products or services. Such items under this category could be new computer

systems, new production procedures, new record-keeping methods, process improvement initiatives, new equipment, etc.

Administrative innovations relate to organizational structures, goals, or performance systems. Such matters under this group are reorganizations, mergers, organization restructuring, organization partnerships, organization board changes, staffing plans, strategic plans, etc.

Human-resources innovations would enhance employee attitudes, skills, beliefs, expectations or behaviors including communication, group interaction and problem solving. Some examples are new training events, promotional possibilities, recognition systems, cross-training programs, gain-sharing programs, equal opportunity programs, etc. Product/service innovations focus on customers and are changes in the organizational output involving new products or new services.

Based on a survey done in 2003 by The Conference Board of Canada, the impact of innovation-related activities to a company were improving product/service; keeping up with competitors; expanding product/service line; maintaining market share; increasing market share; increasing profitability; increasing productivity; meeting community/environment needs; and meeting regulations/technical standards (Campbell & Watt, 2004).

INNOVATION PROCESS

There are five stages of innovation: (1) knowledge; (2) persuasion; (3) decision; (4) implementation; and (5) confirmation (Evitt, 2007).

Knowledge arises when there is a need evolve from dissatisfaction or frustration from an individual or organization. Next, persuasion shows the forming level of an opinion about innovation. These two steps can be considered as socializing the innovation where sharing of such ideas with colleagues or manager takes place. Decision is the third step where it involves decisions about when, to whom and in what way to build awareness, supply new inputs and teach new skills to future users. Problems or opportunities are identified and prioritized, and potential solutions to priority problems are determined.

The fourth stage, implementation shows that potential solutions chosen are applied and evaluated. Implementation involves re-invention, modification or alteration of the innovation. The final stage is confirmation where it is necessary to reinforce or revise the decision, to reflect on the innovation's validity and value. Termination of the innovation happens if there is evidence of unreliable outcome. In addition, the innovation could also be commercialized both tactically and strategically, in ways that maximize its benefit to organizations. Overall, to have an effective innovation this process is managed as a whole to increase capacity and competency (Atherton & Hannon, 1999).

FACTORS THAT INFLUENCE INNOVATION AT WORK

As stated by Patterson (2004), there are three level of analysis that influenced innovation at work: individual, work group, and organization. From Table 1, there are many features that stimulate innovative behavior at work including individual level such as personality, motivation, cognitive ability, knowledge, and job characteristics; work group level like team dynamics and structure, team climate, team processes, and leadership style; and organizational level such as climate and culture, structure and size, resources and work processes, and external demands and environment.

Table 1: Factors that influence innovation at work

| Level of analysis | Characteristic | Dimension |
|--------------------------|---------------------------|---|
| INDIVIDUAL | Personality | openness to experience, low conscientiousness, low agreeableness, originality, imaginative, self-confidence, tolerance of ambiguity, nonconforming, high energy, social rule independent, personal initiative |
| | Motivation | Intrinsic vs extrinsic, personal initiative, determination to succeed, self-efficacy |
| | Cognitive Ability | Above average intellect, creative cognitive style, ideational fluency |
| | Knowledge | domain-specific knowledge |
| | Job Characteristics | autonomy, control, support for innovation, job demands, job dissatisfaction |
| WORK GROUP | Team dynamics & structure | diversity, conflict, constructive controversy, minority influence, organic structure |
| | Team climate | participation, shared vision, support for innovation, task orientation |
| | Team processes | reflexivity, minority dissent, integration skills, decision making style |
| | Leadership style | transformational, participative, democratic style, delegating responsibility, autonomy, openness to idea proposals & challenge, constructive feedback, expected evaluation, Leader-Member Exchange (LMX) |
| ORGANIZATIONAL | Structure | centralization, formalization, complexity |
| | Climate & culture | support for risk-taking, tolerance of failure, organizational values, reward and recognition for innovation, participative management & decision making, flexible employment contracts |
| | Size | Number of employees, market share, alliances |
| | Resources | Economies of scale, slack resources |
| | Work processes | Collaborative idea flow across functions, idea champions, change agents, suggestion schemes |
| | Physical environment | Technology to support innovation, informal meeting places, stimulating physical environment |

Source: Patterson (2004)

LEADERSHIP TRAITS AND INNOVATIVE BEHAVIOUR

This article is going to focus on leadership traits that influence innovative behavior at work. Leaders have a powerful source of influence on employees' work behaviour and likely to enhance employees' innovative behaviour. As stated by de Jong and Den Hartog ((2007, p. 42), the most effective leaders:

“... will help individuals ... to coordinate and integrate their differing styles through a process of applied creativity that includes continuously discovering and defining new problems, solving those problems and implementing the new solutions.”

Table 2 shows leadership traits that can inspire employees' innovative behaviour. These traits include innovative role-modelling, intellectual stimulation, stimulating knowledge diffusion, providing vision, consulting, delegating, support for innovation, organizing feedback, recognition, rewards, providing resources, monitoring, and task assignment.

Previous studies (de Jong & Den Hartog, 2007; Olson & Bolton, 2002; Elenkov, Judge, & Wright, 2005) supported the relationship between leadership and innovative behavior. In the **innovative role-modelling** trait, leaders who acted as a model of creativity promoted employees to be more creative. For example in de Jong and Den Hartog (2007, p. 50) study, one of the front-runners employee said “I am always looking for ways to do things better and improve results. It stimulates some of my employees to do the same.”

Study of Scott and Bruce (1994) on **intellectual stimulation** and innovative behaviours (1994) discovered that when leaders stimulated their employees to be innovative, employees tend to perceive it as encouragement and create possibility for employees to express their proposals and therefore, it generates idea generation. For example: increasing employees' awareness of problems and stimulating them to rethink old ways of doing things (referred from Bass, 1985; Den Hartog, 1997 by de Jong & Den Hartog, 2007).

For **knowledge diffusion stimulation** trait, de Jong and Den Hartog (2007) study illustrated that stimulating the dissemination of information among subordinates enhances idea generation. For example, according to one of the front-runners employee, “It's always good when people are aware of how things are going. When you hear about someone's problems in engineering work, you may come up with suggestions or ideas for solutions if you have faced a similar problem in the past.”

de Jong and Den Hartog (2007) research findings on **providing vision** attribute demonstrated that organizations which provide their employees with instructions as a guidance to achieve their goals and vision was believed to enhance both idea generation and creativity of employees. This is illustrated by the statement of one of the respondents: “We want to innovate endlessly to create value for our customers and to improve our methods of delivery. Whenever an idea matches this principle, it is much easier to convince other employees of its value.”

Apart from the above traits, there are also consistent empirical support for relationship between consulting leadership and delegating with innovative behaviour. Ruigrok et al. (2000) study demonstrated a positive relationship between innovative and a “shared leadership” style characterized by frequent consultation (de Jong & Den Hartog, 2007). According to de Jong and Den Hartog, lack of **consultation** declined employees' motivation and eliminated ideas that could have improved performance. For example, one respondent indicated that “People are usually less motivated for another person's idea unless they are able to reshape it. If I just order an employee to do something, I cannot expect a high-quality outcome.” There is also reliable empirical support for a positive association between **delegation** and idea generation and application behaviour. From Krause (2004) study, de Jong and Den Hartog (2007) discovered that leaders can influence the innovation process by granting their subordinates freedom and autonomy and these led to several kind of innovative behaviour, including the generation, testing, and implementation of ideas. Furthermore, de Jong and Den Hartog (2007) survey revealed respondent said that “As soon as we have decided to go ahead, I delegate the implementation activities to my employees. I am too dominant and my employees would not dare to object to my opinion.”

Other leadership traits that influence innovative behaviour are support for innovation and organizing feedback. Based on de Jong and Den Hartog (2007) findings on **support for innovation**, a respondent stated that: "People know that I just love new ideas. That's why they come up with suggestions every day. I am always excited by them." The respondent also stated that "You can really discourage innovative behaviour by being unreliable. When you do not support your subordinates when problems arise, you can forget successful innovation." Hence, employees should not be penalizing for mistakes but instead it should be reflect as a learning opportunity and leader should be supportive in guiding employees' creative performance. Previous research by Hellstrom and Hellstrom (2002) on the association between **organizing feedback** and innovative behaviour illustrated that employees are ready to show their innovative behavior when leader gave feedback on their proposal (de Jong & Den Hartog 2007). This will ensure that there will be an improvement in the idea given.

As for **recognition** attribute, a respondent point out: "When someone makes a suggestion I try to pay a lot of attention to such an initiative. Occasionally, I allow him or her a day or two to work out the idea." (de Jong & Den Hartog, 2007). Consequently, de Jong and Den Hartog noted that recognition includes giving praise (compliments), awards (e.g. certificates of achievement, increased autonomy) and ceremonies (e.g. public speeches and celebrations) which will stimulate both idea creation and application behaviour.

Besides, **rewards** provide monetary incentive for employees to concentrate their attempt to execute new services or work processes. de Jong and Den Hartog (2007) noted that respondents revealed: "I do not believe that financial rewards are a trigger for idea generation. It does not improve work involvement. But after a new service has been introduced, my employees will see the results of their efforts in their salary. If I did not do this, I would communicate that you cannot make a career by doing more than expected". Nevertheless, there was a study by Amabile (1988) that showed financial rewards may not be a good benefit in generating ideas (de Jong & Den Hartog, 2007).

Providing resources such as time and money to apply idea is crucial. A respondent from de Jong & Den Hartog (2007) study stated that "Being enthusiastic about an idea is one thing, but your employees will not believe you if you do not come up with the resources to develop it". Ekvall and Ryhammer (1999) also found that the availability of resources was highly correlated to innovative outcomes (de Jong & Den Hartog, 2007).

In addition, **monitoring** element might hinder employees' application efforts but it is also required to keep track of employees' progress. One of the respondents from de Jong and Den Hartog (2007) declared: "You have to keep yourself informed about how things are going. You should not just throw away your money. But your supervision must not become too strict or else your employees will feel they are constantly being watched by "big brother" and avoid all risks". A study by Olham and Cummings (1996) proved that controlling supervision was negatively associated to employees' creative performance. On the hand, Leonard and Swap (2005) found that some degree of monitoring is essential to ensure the progress of innovation (de Jong & Den Hartog 2007).

Finally, **task assignment** attribute is important for task content to match employees' job competency. One of the respondents stated that: "It is essential that people like their job. If they enjoy doing their work, they are more interested in delivering high quality. Then they are more eager to make suggestions for improvements as well" (de Jong & Den Hartog 2007). Previous research such as Olham and Cummings (1996) showed that task assignment can influence idea generation.

In conclusion, leadership traits as above are vital to influence and facilitate employees to be innovative in the workplace. Leaders may exhibit these leadership traits in different way base on situation such as leader might consult employees more than once to ensure innovative ideas are implemented successfully. Furthermore, relationship between leader and employees may create indirect consequences and have a stronger or weaker impact on employees' innovative behavior. As a result, leadership is crucial in creating working climate to support employees' innovative efforts.

Table 2: Leadership traits

| No. | Traits | Dimensions |
|-----|---------------------------------|--|
| 1. | Innovative role-modelling | Being an example of innovative behaviour, exploring opportunities, generating ideas, championing and putting efforts in development |
| 2. | Intellectual stimulation | Increase employees awareness of problems to evaluate current practices |
| 3. | Stimulating knowledge diffusion | Stimulating open and transparent communication, introducing supportive communication structures like informal work meetings |
| 4. | Providing vision | Communicating an explicit vision on the role and preferred types of innovation, providing directions for future activities |
| 5. | Consulting | Checking with people before initiating changes that may affect them, incorporating their ideas and suggestions in decisions |
| 6. | Delegating | Giving subordinates sufficient autonomy to determine relatively independently how to do a job |
| 7. | Support for innovation | Acting friendly to innovative employees, being patient and helpful, listening, looking out for someone's interests if problems arise |
| 8. | Organizing feedback | Ensuring feedback on concepts and first trials, providing feedback to employees, asking customers for their opinion |
| 9. | Recognition | Showing appreciation for innovative performances |
| 10. | Rewards | Providing financial/material rewards for innovative performances |
| 11. | Providing resources | Providing time and money to implement ideas |
| 12. | Monitoring | Ensuring effectiveness and efficiency, checking-up on people, stressing tried and tested routines (negative relationship) |
| 13. | Task assignment | Providing employees with challenging tasks, make allowance for employees' commitment when assigning tasks |

Source: de Jong & Den Hartog (2007)

CONCLUSION

This article highlights thirteen leadership traits needed to foster innovative behaviours in employees which include innovative role-modelling, intellectual stimulation, stimulate knowledge diffusion, providing

vision, consulting, delegating, support for innovation, organizing feedback, recognition, rewards, providing resources, monitoring, and task assignment. As such, leaders are key players in initiating the situation for change and creativity. Even though, it is not a simple way to educate workforce to possess the skills and attitudes for innovation, leaders must find ways to develop employees' capability to be innovative. Alternatively, employees need to better adjust to change, able to work in diverse groups, capable of performing with new processes, and produce new or improved products. Hence, leaders in working environments that support innovation and creativity could synergistically assist organization in maintaining an all-important competitive advantage and also to maximize organizational capacity for the future.

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