

THE IMPORTANCE OF AN INNOVATIVE LEADER IN THE ORGANIZATION

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Abstract The aim of this paper is to make a correlation between performance, a leader receptive to new ideas and an innovative management of the organization. Wishing to highlight the role and importance of innovative management, I will present its characteristics, features, factors of influence, and how a leader receptive to innovative ideas stimulates an innovative system in the organization. The contribution of this paper is that it makes a correlation between, and a comparative presentation of, the characteristics and importance of the two pillars of the paper, which are: innovative management and a successful leader, by broadly exposing the advantages and drawbacks of innovation management within an organization and the influence of the participation of an innovative leader in the management system. It is important to note the bond that exists between an innovative management, innovation and the team leader of the organization. Many specialty researches show that there is interdependence between the innovation capability of the organization and its chances of success in the current dynamic market.

1. Introduction

In the current society, of continuous economic instability and economic crisis, finding a way of surprising the competition – not in any other way – but successfully, is a hard task for the management of any organization in any area. Thus, I consider innovation management to be of unparallel importance, especially in the case in which a given organization has a leader open to new ideas. Economic globalization has imposed radical changes in organizations throughout the world, in order to keep the pace with the global changes. Companies, in order to remain competitive on the market and to cope with these changes, had to adapt their management to a more innovative one, on the fly, to create their own long term identity, for coping with competitors of any kind. At this point, the importance of innovation reveals itself, the management of an organization having to transform itself into a more and more innovative one.

Managers have created organizations that have an important role on the global market, but that is not sufficient, because introducing and imposing innovative ideas on this market is very difficult and demanding. Therefore, the idea that a good leader has the capability of finding innovative ideas and that along with his team, he is capable of their successful implementation, has shaped itself to a great extent.

The current society is relying, to a greater extent, on dynamicity and innovation, thus creating an optimal environment for innovative technological processes. Innovation management has an important role in an organization, being the primary tool, and at the same time the prime pillar for the team and leader, which have innovative ideas. By using this type of management at its fullest potential, a leader is capable of bringing together all favorable factors, financial conditions and necessary human resources, which all are prerequisites for the birth of innovation.

Innovation management can be brought to life in the business environment, which is why a manager's courage, inspiration, competencies and charisma could have a decisive role in making this type of management successful.

2. Innovation Management

Innovation management consists of the economic implementation and exploitation of new ideas and discoveries. In my opinion, innovation management is the process of organizing and allocating the available resources (human, technical, informational and financial resources) with the primary goal of obtaining new knowledge for generating new ideas, which in turn enable the obtainment of new products, services or processes, or of enhancing/improving existing ones; it also facilitates the transfer of the best ideas to production and sales. Therefore, innovation management must be taken into consideration, as an important and intricate part of a company's strategy.

According to Verloop, J. and Wissema, J. G. (2004), "innovation needs careful management in order to be cost and time effective and it is a supply chain process, the essence of effective innovation management being that of understanding that the path from idea to market goes through three distinct changes: generating and conceptualizing ideas, developing and demonstrating the concepts, and investing to extract the value from the market place."

Due to the fact that the global market is becoming more and more dynamic, the process of innovation suffers changes accordingly. Thus, for some businesses, the lack of innovation could lead to their destruction, especially in the current environment, where the economic crisis and the recession of some countries, has left "deep soars" on some markets. In the face of such threats, the importance of the abilities of innovation managers is put to the test. The "benefits" of the current society have radically modified local and international markets but opened the path towards innovation. Despite being aware of the negative impact over a long period of time of the rapid progress of cutting-edge technologies that facilitate every-day activities, we are even more open to them and more dependent on them.

3. The role of leadership in the current business environment

"Thinking innovatively isn't enough. It is just as important to create a climate that promotes this sort of thinking – an environment that scales it up from the individual to a team, a unit, or an entire organization. That's the leadership component." (Stauffer, D., 2005)

Global experience has shown us that in order to be successful, an organization has to approach projects with innovation. But in order to promote innovative processes, not only the known and required knowledge is needed, but also a management adapted to innovative ideas.

According to Lafley, A.G. and Charan Ram (2008), in their book *The Game Changer: How every leader can drive everyday innovation*, "innovation leaders are comfortable with uncertainty and have open mind; they are receptive to ideas from very different disciplines. They have organized innovation into a disciplined process that is replicable. And, they have the tools and skills to pinpoint and manage the risks inherent in innovation. Not everyone has these attributes. But companies cannot build a culture of innovation without cultivating people who do".

A leader is in charge of more or less efficient and effective teams, but a successful leader is capable of adapting its behavior to the requirements of certain situations that might appear. This flexibility and adaptability makes the performance of the entire team increase and makes the organization more able to achieve its goals.

“You cannot expect your team to be innovative if they do not know the direction in which they are headed. Innovation has to have a purpose, it is up to the leader to set a course and give a bearing for the future. This is set in broad terms and is described as the mission, core purpose or vision for the organization. Although each of these is different, they share much in common, and whichever you choose, there should be one overarching statement which defines the direction for the business and which people will readily understand and remember”. (Sloane, P., 2007)

In this part of this paper, I will highlight some of the traits that a leader has to master (specific elements of leadership), such as motivating employees, training, communication, the ability to make important decisions, charisma, and the ability to innovate.

In the effort of creating a sketch portrait of a leader open to innovation, the following traits are observed:

- a leader has to be able to mobilize and motivate the team and make it aim towards “new”;
- a leader has to have the abilities and qualities in order to push for innovation in the activity field of the organization.

This study aims to highlight the extent to which the performance and success of an organization can be attributed to a good leader. The behavior and management style of a leader can influence a certain company’s environment, which in turn has direct consequences on its activities.

4. The impact of leadership in achieving an innovative management

A leader is capable of mobilizing, convincing, training, and encouraging his team in order to achieve their goals. His abilities are accompanied by courage in embracing new ideas, enthusiasm, and new visions that can innovate in the given sector of activity. Therefore, implementing an innovation management can be successful, if such a leader is involved.

“It is important for the leader to ensure that all team members can express their views on any issue. Team members benefit because they will feel they can be heard, be open to different viewpoints, and be supported as they question ideas and debate openly. Also, when team members can debate openly, they are much more likely to stand behind the direction the team leader chooses”. (Weiss, D. S., Legrand, C., 2011)

In the current dynamic economic environment, an innovative idea could make the difference between make it or break it; for example in the IT market, innovation is the most important factor in guaranteeing success.

Innovation in a diversified industrial products company is not the same thing as innovation in a pharmaceutical company or in an automobile company. The innovation problem is different across industries. The management structures, systems, and practices needed to manage innovation effectively are not the same in all industries (Christiansen, J., 2000).

Innovation management has become a prerequisite that assures the quality of products and services, and it maintains or improves the market position of an organization. Innovation can be better than creativity, because of the fact that by implementing an innovative idea, a process, a product, or a service can be improved, thus increasing the performance of the organization, while a creative idea may require lots of resources and may prove to be useless at the given moment, if it's not realistic.

A good leader must be able to come up with ideas that bring added value to the organization and must also be open to the innovation of others. Some sectors of activity (such as IT, where innovation is common) must be based on innovation management, which is lead by people capable of supporting and materializing innovative ideas.

Through innovation, we not only see the creation of new, but also see a future related vision of that idea.

An innovative management must take into account - in this fierce competition sustained by globalization - the way it is conducted in different companies, by adopting effective measures and rational production process and beyond. This makes clear the difference between a successful company that opens new opportunities for growth and profit and other companies on the edge of survival. Innovation management and innovation are thus priorities for most organizations. The application of innovative ideas by the leaders of these organizations will make the difference. A good correlation between the HR strategy - a competitive team and leader - development management strategy generates long-term value and success in these difficult times that the world economy is going through. Innovative ideas should target customer needs, adapting products to the actual market demand.

An innovative management is based on investing in employees who are efficient and that generate added value for their organization. The biggest role is that of those who have the innovative ideas, the creative people who are always open to new, and for a competitive and open-minded leader, in this period of economic crisis, this can only be an opportunity to find and put in practice new opportunities. The real transformation of technology has also influenced the business world, bringing competitive advantages, by stimulating the creation of new products and services, and therefore the innovative capacity was required and much put to value.

The innovative leader thinks that if he is not the one who innovates, there will be another person who "will take his place", so this is a very stimulating environment for innovation. A good leader must establish a set of common goals that must be achieved by the team, but should also instill in his team members the feeling that each of them plays an important role and that each of them should contribute to the innovation process.

The leader should encourage the team on one hand, and on the other should impose basic rules of behavior, so that the team can put into practice the most daring and innovative ideas and also the team should be aloud to experience – thus giving them the intellectual freedom to try new ideas, processes or plans.

A leader with innovative ideas will be able to turn those ideas into products and services that can lead to economic growth, competitiveness and more jobs. In

many global markets, innovation is already recognized as the engine - the essential condition, if you will- the success of businesses.

Innovation management has many priorities, among them are: supporting and promoting open minded people, support innovation within the company, addressing those innovative ideas that bring competitive advantage to the company in relation to the competition, cooperating with government bodies to support innovation. However, there is no such a thing as a one of a kind - fits all formula- innovation management must be adapted to the individuality of the organization, responding to socio-economic challenges in the area of action.

Innovation is crucial to solving many global economic, social and political problems with which the mankind is facing today. Therefore innovation and an innovative leader, respectively, can offer new solutions in times of crisis when costs are reduced. Research and development accompany the innovative process, but alongside them, institutions, stakeholders and other organizations must be involved in order to facilitate the market entry of the idea.

The Oslo Manual distinguishes three types of innovation: innovation can be new to the company, new to the market or new to the world. The first concept covers the dissemination of existing innovations in a company - innovation may have already been implemented by other companies, but may be new to the company. Innovation which is new to the market is when the company is the first to introduce the innovation. An innovation is new to the world when the company is the first in the world to introduce the innovation in all the markets and industries (The Cross Border Cooperation Program Romania-Bulgaria 2007-2013, co-financed by the European Union Regional Development Fund, 2011).

For a leader with innovative capabilities to be highlighted, the organization must have policies which support innovation and which support those with innovative ideas. It is the role of innovation management to provide favorable conditions by mobilizing financial resources for innovation, promoting innovation within the organization through a healthy risk-taking culture through innovative activities and by cooperating with the government to implement policies for motivation and innovation support.

In innovative organizations managers have to curb their natural instinct to control everything. Control is an important leadership or management function, but it has to be exercised with skill and sensitivity (Adair, J., 2007).

On one side, an innovative management must support human capital, the essence of innovation, but leaders must be supported to by their organization as important actors in innovation as it helps transform new ideas into practical applications. A successful organization is correlated - following several expert studies - to innovative experimentation of their leaders. An organization should focus its resources on a number of innovative projects and also should encourage their team leaders, capable to spur the introduction of elements of innovation. Bad management can overly use avoidance plans of risk factors through discouraging innovation policies, either from lack of experience or because of unfounded precautions. Failure to support innovative leaders is also caused by: the uncertainty about the evolution of commodity prices or the request of a new product; information and communication difficulties; accentuated economic instability and lack of supportive government policies; administrative regulations too

bureaucratic; and not least, the access to financing can be an impediment to innovation in the business environment.

Innovation management must be addressed equally in private firms but also in the state or mixed, so coherence between national, regional and local authorities is required. The global economy is interconnected with governments and companies will have to make decisions and set priorities for areas in which they can excel.

In innovative management, potential sources of ideas are established which can lead to the long term development of the organization. The creativity and the openness to new of the people in the organization are important, but not sufficient.

Innovation management applies specific strategies which transform innovative ideas in successful products, services, processes. The task of a innovative leader and manager is to follow, coordinate, guide and evaluate the way specific to innovation activities are run inside the organization.

An important step towards innovation is finding that brilliant idea, which will make changes for the better and will bring success to the organization. A good leader needs to pay attention to innovation management, which can contribute to launching innovative ideas, whilst being in direct contact with his team's needs. As an efficient leader his managerial role is to focus his team's efforts on the objective, instead of defining it for the members of his team.

5. Conclusions

Successful innovations are the result of innovation activities supported by the organization. For the innovative leader there is a continuous stumbling block when trying to succeed in innovation and in applying innovation. As I earlier presented, the complexity of the innovative process is high and hence so are the risks assumed by the leader. That is why I believe that a leader open to new can encourage and inspire trust in the team, that is going to put into practice those brave and risky projects. An innovative management is based on improving the economy of the organization, strengthening its position on the competitive market, protecting the personnel as well as the environment. All these tests in the current economic and social context have to be accompanied by a approach of the innovative leader to inform the working teams, to search for the right people in his support, to change organizational culture of the organization so that all staff takes risks not only the management but also the lower hierarchical level staff. That is the job of the active innovative leader who will know how to mobilize the team to take the risk of change and ultimately the failure or success. Humanity expects an obvious economic progress, especially after it was shaken by the crisis. Innovation can be a viable alternative to the shortage of natural resources and materials, bringing new ideas to replace them with other unconventional ones, which require lower costs and which help protect the fragile environment in which we live in.

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