

Investigating the contribution of leadership “Transformational” to Innovation in Technology sector in Ireland

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Abstract

This research paper identifies ‘Transformational and Transactional’ leadership and its contribution towards managing innovation in the technology sector in Ireland. This research has a case study approach of IBM and SAP, and the methodology used to collect the primary data is via qualitative. The conceptual framework have been created by using mixed contemporary models e.g. the added impact of transformational leadership model, innovation process model, and embodiment of situational leadership. These models have fused in conceptual framework to concentrate on the research goals. Keeping in mind the end goal to study and to actuate rich data understanding, six top executive meetings have been held with senior innovation leaders in IBM and SAP. Narrative data analysis has been practiced to support the research objectives and to figure out the reliable and practical findings. Research findings demonstrates that both initiatives - transformational and transactional, have huge contribution to innovation in technology division. while managing innovation process; every leaderships has reasons and means to practice taking into account the given circumstances and environment they work; innovation leaders predominantly start their innovation project under transformational leadership, however, they drastically change their way to transactional leadership when they face difficulties and vulnerability. Research findings raised that, transformational leadership adds to articulate vision and transactional leadership add to accomplish that vision through micro-planning and execution.

Introduction

Innovation is fundamental element for a successful business. Since the globalization have facilitated organizations to integrate and collaborate via geographical and economic territories innovation got the wings to change the traditional business format worldwide and innovation is key driver. Thus, innovation has become the limelight focus for those organization who can rationally predict the future business environment and use of technology for driving innovation and produce what market needs and also beyond the customer's imagination and revolutionized. Such paradigm and disruptive innovation may stem from creative individuals but cannot manage and implement without leadership and management support. This research is investigates *how* leadership contributes to innovation process and *when* and *why* leaders change their leadership approach to ensure successful innovation outcome. Undoubtedly area of innovation has become a centric factor for organization to attain sustainable competitive advantage. The research in area of innovation shows that leadership has great impact on innovation; in addition several researches have shown that leadership is crucial to drive innovation (Tidd & Bessant 2013). However, majority of research’s findings indicates that transformational leadership is fundamental element to build the climate, facilitate organization culture, provide the resources to drive and manage innovation process.

Research Objectives

To **Identify** and **explore** the contribution of leadership ‘transformational and transactional’ to manage innovation process.

When transactional leadership applied by innovation leaders while managing innovation process.

Why innovation leaders use transactional approach while leading and managing innovation process.

Whether transformational leadership is more effective then transactional leadership or they are equally practices to manage innovation, but transformation got attention and transactional not.

Literature Review

- Background
- Innovation Management
- Innovation process stages – Search, Select, Implement and Capture
- Leadership – Transformational vs Transactional
- Impact of Leadership on Innovation
- Analysis of leadership contribution
- Conceptual framework.

Research Methodology

Research Methodology is a fundamental part for this research paper as advancement for organization, this is area 3.0 as should be obvious on structure perspective, is about defining the proper approach. Research is the efficient methodology for gathering of existing information and study and interpretation with clear goal and reason to figure out things which may include value or critique. Though, methodology is the means by which this research ought to be carried out. It is a systematic step taken by the researcher to study the phenomena by means of hypothetical and philosophical assumptions as research area and the questions indicate. Design is a logical thought and focusing for decisions of procedure, whilst completing the research and justifying the choice (Collis & Hussey 2003; Yin 2000; Saunders et al. 2003).

- *Phenomenological/interpretative philosophical world view*
- *Inductive approach*
- *Case study strategy*
- *Qualitative data + open end interviews*
- *Narrative Analysis*

Research Strategy

The researcher has strategized his research with two contextual investigations (case studies) 'IBM and SAP' and I believe it will flawlessly support my research and generally reliable with philosophy. In addition, applying other research method, for example, – ethnography, action research, experiment and others couldn't permit the researcher to study satisfactorily and research findings may not be potential. In this manner, choosing the case study will be exceptionally relevant to my research, compared with other methods.

Six interviews will be conducted with top senior management or innovation leaders and R&D managers. Open end interview questions to identify leadership approach to innovation process.

Findings

IBM and SAP innovation leaders have recognized and affirmed leadership contribution to drive and manage innovation process. The study demonstrates their initiative 'transformational and transactional' way to deal with managing innovation, and relies on upon the innovation projects, their innovation teams capability, experience, type of innovation, size of innovation; and based on the resources they have. Data analysis indicates that innovation leaders initially start their innovation projects under transformational leadership, however, they radically change their approach with transactional leadership when meet difficulties and vulnerability. Therefore, this indicates, transactional leadership is best to manage crisis that arise, as it is an inevitable character in innovation management. Research analysis demonstrates that, the approach of innovation leaders towards managing innovation process is moderately similar for IBM and SAP, despite their methodology approach varies with great reasons. Interestingly it has been analysed that within the IBM and SAP leadership, approaches towards managing innovation process, they somewhat have diverse practices.

Analysis Discussion

Transformational leadership is not simply a superior and more progressive form of leadership than transactional leadership, as much of the literature suggests. Transformational leadership can create a vision for change and innovation to an organization and transactional leadership attain that via day 2 day execution – a vision without execution is nothing. Transactional leadership is very effective to dealing with problem compared to transformational while managing innovation. Mixed approached have been in practice to manage innovation process.

Conclusion

The researcher has furnished the research topic while discussing and breaking down significant literature with legitimate justification to complete the research project. Suitable research methodology has been defined to accomplish the target of this research. Researcher has analyzed the data and presented the Findings in the earlier section. This segment is clarifying the primary findings conclusion of this research project by means of depicting the contribution and limitation of this research. Furthermore, it is clarifying the ramifications of research questions, followed by recommendations for future research in similar areas. Finally, researcher has concluded and expressed his own impression of completion of this research project.

The basic strategy preferred to manage innovation is Transformational Leadership, however, when an organization faces with challenges, innovation leaders tend to adopt Transactional Leadership”

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