

# Transformational Leadership for Sustaining Innovation

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## ABSTRACT

This research paper is aimed to examine how transformational leadership applied to encourage and empower workforces to do their jobs with full initiatives, autonomy, and make changes. Critical literature review analysis was used as the method in obtaining insights of this topic. It focuses on the leadership strategies to foster innovative behaviors and improve capacities in sustaining innovative culture at work. Results show that transformational leaders are favored by most organizational members for they empower them to experience work autonomy and capacities deal with changes. Further studies are necessary to relate this leadership type to other organizational and individual factors.

**Keywords:** *transformational leadership, empowerment, innovative, changes.*

## 1. INTRODUCTION

Emerging condition today worldwide yields to unavoidable life in a “new world order “. People are led to behave addressing to “new normal”. Otherwise, they cannot deal with the new life systems created by the global power.

The presence of advancing information technology (IT) in such a unpredictable situation is dominantly featuring human behaviours at works. This has changed the way of transactions people in doing business or non-business jobs as well as educational activities. It challenges to employees, teachers, faculty members and even housewives do their regular jobs employing sophisticated IT means (e.g. mobile phone, computer, webcam, scanner, barcode reader, QR scanner, automatic, digital fingerprint) to perform their jobs instantly and efficiently. In order to be successful in responding to the changes demanded by this new life, and how to work through a technological system, these people must be able to work with their own initiatives and innovations [1].

Studies in the fields, however, indicated that many people were not able to deal properly with the changing global demands. Reasons are less initiatives and innovative approaches used in conducting their respective tasks. Existing leadership behaviour, thus, is argued as one of the factors that could deter individual capacities to fit themselves to the turbulent situation and made innovations in carrying out routine activities [2-4].

This paper specifically highlights transformational leadership as a model that is considered able to foster innovative actions for people, and at the same time instilling individual abilities in sustaining an innovative culture at work.

### ***1.1. Transformational Leadership Concept and How It Relates to Leader Performance***

Transformational leadership is widely recognized as a model of leading people that emphasizes changes by encouraging organizational members to work independently and with full initiatives in achieving organizational objectives successfully [5, 6]. Leaders influence people to work towards created vision. Together, invite all these members to use this vision as a direction in the future. Transformational leadership requires several personality attributes including neuroticism, extraversion, openness, agreeableness, and conscientiousness [5, 7]. These also characterize charismatic leadership model. But in practice, charismatic leaders themselves do not automatically become transformational leaders. The influence process of transformational leadership is exercised through four behavior dimensions: idealized influence, inspirational motivation, individualized consideration, and intellectual stimulation [8, 9].

Studies indicate transformational leadership influence significantly leader performance in the forms ability to perform tasks, skills in leading people, and task achievements [5, 6, 10]. The strength of this relationship,

however, is determined by certain individual characteristics or leader attributes explained previously. As illustrated in Figure 1, contribution of

transformational model to the performance is predicted to be influenced by those characteristics.

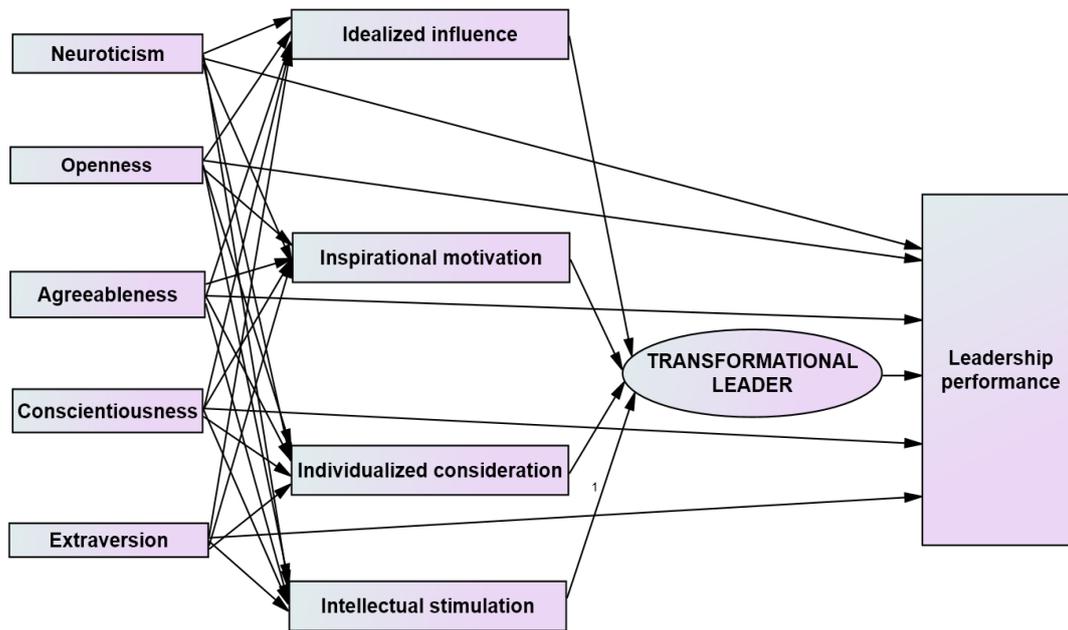


Figure 1 Dimensions of Transformational Leadership and Their Relations with Leader Traits

**1.2. How Studies Compare Transformational Model to Charismatic and Transactional Leaders**

Charismatic leadership is described as leaders who have extraordinary characteristics and abilities in the form of charisma [5, 8, 9]. Organizational members or subordinates have strong interests and enthusiasm to meet their leader’s expectations in achieving certain goals. It often happens that the subordinates follow their leader's wishes without being based on rationality, but only because of strong encouragement from the leader [10]. They are also greatly affected by charisma emitted from this leader. In essence, the charismatic type of leadership refers to a charisma as an extraordinary attribute recognized by subordinates and they are very dependent on their leader to influence and provide guidance or direction in doing jobs or actions.

On the other hand, transactional model is based on interest transactions between leaders and subordinates [7]. Leaders try to influence members by promising or encouraging people using external motivation media including wages, gifts, or other economical valued promises so that those they lead are happy at work. People work to follow the leader's orders just to get a reward, and or vice versa to avoid sanctions they probably get if they don't carry out the leader's orders.

The differences to the two types that transformational leaders demonstrate strong, rational, and authentic leadership approaches with a purpose to motivate those subordinates to make changes and follow their designated organizational objectives.

**1.3. Why Transformational Leadership Is Important To IT Implementation In Education**

IT works in many organizations are regarded as both important and challenging to human resources. The presence of this sophisticated element can be utilized as a media to increase efficiency, instant task completion, proper services, and obtain quality products. Not only in business industries such as factories and department stores, IT is inevitably employed in education organizations including school and universities. The use of this technological element can make the organizational institutions able to deliver fast and various services of administrative and academic needs to their customers especially students, staff, and community members. This job is only possible if being supported by the human resources who have innovative and initiative capacity. Transformational leaders are thus required to empower and inspiring members to work through using their own initiatives, autonomy, and create innovations in using IT devices to solve their encountered problems. As depicted in Figure 2, effectiveness of IT management can be enhanced when people are led properly to perform their tasks using high tech-facility.

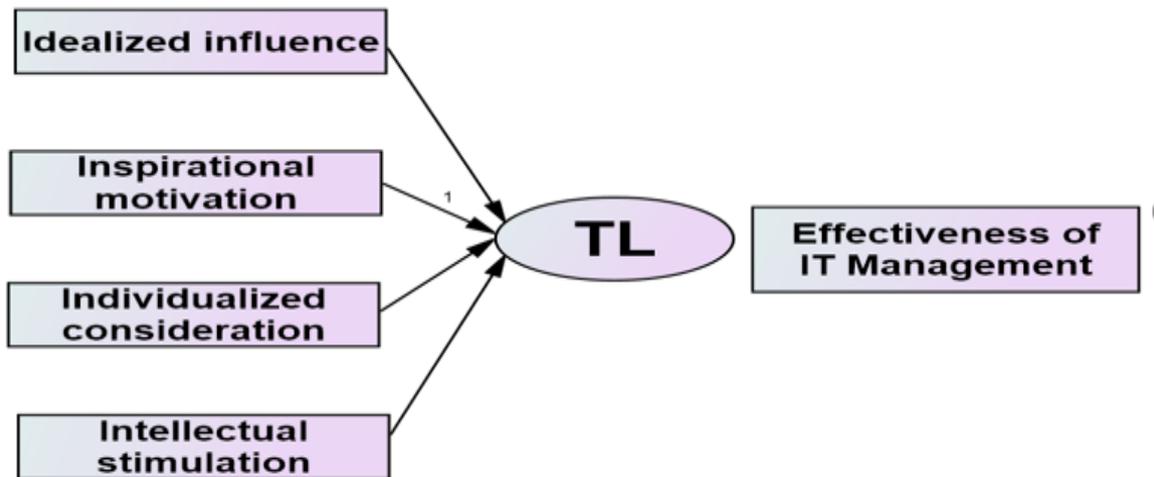


Figure 2 Transformational Leadership Link to the Effectiveness of IT Management

**1.4. How Transformational Leadership Is Applied In Promoting Innovation**

Innovative behaviours demonstrated by members are fostered by transformational leaders [3]. Leaders’ efforts in influencing organizational members to make changes and innovations are carried out through several strategies including: (1) encourage members’ motivation and individual capacity development; (2) personify moral standards; (3) creates ethical environment with values, standards, and priority, (4) build organizational culture through encouraging employees to change from individual-interest attitudes to a mindset working with common goals; (5) lead people emphasizing on authentic behaviour, open communication, and cooperation; and (6) train people to lead and experience tasks’ ownership [5, 11].

**2. METHOD**

This paper is derived from a work of critical literature review analysis focusing on transformational leadership as an intervening variable to influence both organization and members at work. Resources included in this study are research findings reported in the articles, book chapter, reference textbook, reputed electronic publication, and other results of scientific works. Components of this leadership model as the focus are described and discussed by introducing some examples of cases found in public organizations including educational institutions, divisions of an organization or other related units.

**3. RESULT**

**3.1. Transformational Leadership Is Vital To Sustain Innovations for A Higher Organizational Performance**

Some findings concerning on this leadership area indicate that transformational model was found as strategic way to foster knowledge and resources for developing members’ capacity in managing changes and innovations for a higher organizational performance [12, 13]. It also developed dynamic capacities of innovation and organizational learning [2, 8, 9]. Further findings of this study indicate that resources and knowledge strengthen absorptive ability. This will produce more skills in managing implied knowledge [14], organization hospitality and commitment [10] which in turn make an organization as a learning centre and ultimately influences innovation. Overall this leadership strategy results in the strongest influence on its organizational performances [1, 2], innovations performed by the members [3] and satisfaction at work [7].

**3.2. Inspiring Workers to Manage Changes At Work**

Transformational leaders were found as a model that is able to inspire workers to manage changes through fostering organizational culture in the forms of work autonomy, accountability, and ownerships by the whole members [8, 9, 12, 14, 15]. It is also suitable to the changing work environment where people are required to work with high achievements motivation, innovative, and being creative in solving work related issues by employing sophisticated IT devices in handling a lot of works [15].

Such a leadership model is further found as a vital style in leading organizations that need innovations from their staff members [1, 5]. In order to carry out the jobs that need consistent development, growth, and innovative work products, this is the right choice of leadership model. The main reason is that leaders who use this style will be able to sustain innovative efforts of their followers.

### **3.2. Empowering Members**

IT works are highly required by modern organizations. But this phenomenon is only suitable to the leadership practicing innovative actions from subordinates. Current global development needs leaders who are capable to empower people and build effective teams in any structured cooperative works [16-18]. It is believed as an integrative leadership model that is strongly related with the strengths of subordinates empowerment and team effectiveness [19, 20]. Findings of the study reported by Ozaralli [19] and Birasnav et al. [17] that transformational leadership contributes to effective subordinates empowerment and works in team.

## **4. DISCUSSIONS**

Transformational leadership model was found as an effective model to influence staff performance at work. This is line with studies reported by Yukl [9] and Jaroliya and Gyanchandani [1]. Such a condition is created through leader's influence process upon followers including inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation. These behaviors lead the followers experience self autonomy at work, feel trust, loyalty, admiration, motivated, and respectful toward their leader [9, 16].

The products of leadership in fostering organizational members with knowledge and innovation capacity were found as significant contributions to many organizations to gain a higher performance [12, 20]. These are relevant with findings reported by Anning-Dorson et.al [3], and also supported by related studies of Jaroliya and Gyanchandani [1] and Brandt, Laitinen, and Laitinen [21]. Leaders thus must continuously improve members' capacity to work within the changing situation [18]. This can be done through training people in mastering IT skills, human communication, the use of sophisticated IT devices, and working productively in teams.

Organizations that have been built as learning centers are ideal working environment for shaping members potential to work innovatively and with full initiatives. A transformational approach allows people to obtain positive psychological feelings since they are well empowered by their leader [13, 16]. This is relevant with findings from Puni et al. [7] that transformational style enhanced individual satisfaction. People also learn thorough experiments, communications, dialogues,

individual mastery, and job-related knowledge creation [2, 13].

## **5. CONCLUSION**

Transformational leadership is recognized worldwide as a leadership model that encourages people to deal confidently with changes and work with full initiatives. In some criteria, this style differs to both charismatic and transactional model. It influences people to work towards vision and use it as a future direction. Innovation can be created by demonstrating transformational leadership behaviours, and at the same time sustaining the innovative culture of organizations.

Most organizations including school and universities furnish their units with sophisticated IT devices. The purpose of supplying these technology products is to facilitate members to carry out their jobs efficiently and provide fast services to customers. However, effective utilization of the devices depends on how leaders create a working culture where people are encouraged to work with initiatives and sustained innovative conditions.

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