

Innovative Leadership

Marcelle W. Davis
Regent University

Globalization has impacted our marketplace and forced leaders to continuously develop their skills and evolve their organizational strategic plans. An innovative leader must be agile to inspire others to think outside the box and create an environment where new ideas can be evaluated. An effective innovative leader must have certain competencies to lead his team and drive organizational results. This article outlines the key components of each level and how an innovative leader operates within these levels. It will discuss how a leader can develop his skills to innovate and how the organization can support him in his journey.

Keywords: Leadership, Innovation, Innovative Leadership

INTRODUCTION

Globalization has been a topic of discussion for decades as a result of the “sudden increase in the exchange of knowledge, trade and capital around the world, driven by technological innovation, from the internet to shipping containers” (London, 2013). Some experts argue that globalization has helped our economy while others have argued that it has not. Regardless of which side of the argument you find yourself on, no one is disputing the fact that globalization has caused innovations across every industry in our marketplace. Technological advances have caused the borders between and among many countries to disappear and these advances have provided us with different tools with which to communicate and work together. In addition to technological advances, globalization has also enabled foreign direct investments which boost the transfer of technology, ensure industrial restructuring, and support the growth of global companies (Kuepper, 2017).

Globalization has also affected the retail market as consumers can not only buy products online from different countries but they also have access to those products here in the United States. “According to a 2010 Federal Reserve Bank of San Francisco report, about 35.6% of all clothing and shoes sold in the United States were actually manufactured in China, compared to just 3.4% made domestically” (Kuepper, 2017). The increase of innovations across all industries, the growth of the global marketplace as well as emerging markets in other areas of business have created challenges for leaders. These challenges are centered on the fact that leaders must now think outside the box if they intend to position their organizations with a competitive advantage or play an integral role in emerging markets. In other words, they must be creative and innovative if they don’t want to just survive in today’s global marketplace, but they also want to thrive. To do so, innovative leaders must be equipped with certain competencies that

enable them to work successfully across the global market, lead diverse teams and drive organizational results.

WHAT IS AN INNOVATIVE LEADER?

Innovation is defined as the “intentional development of a specific product, service, idea, environment, or process for the generation of value” (Oster, 2011). Thus, the leader who is effective at managing innovation – an innovative leader – is a visionary who motivates his followers “through leading by example and fostering collaboration” (Spahr, 2015). He is inspirational and encourages the people around him to think outside the box while simultaneously ensuring that the environment he is in is supportive of new ideas and allows the ideas to be evaluated and/or tested (Spahr, 2015). An innovative leader is the kind of leader who will be effective and successful in a global marketplace like ours that is constantly changing. There are, however, certain competencies that a leader must be equipped with to be successful at innovation.

An innovative leader is one who has the ability to leverage existing ideas and transform them into unique solutions. First, he will have a passion for innovation because it is the only way he will be able to appreciate the benefits of innovation and how it impacts his customers. Second, this leader will understand the difference between a short-term goal versus a long-term vision. He will know that to be creative and innovative, he must have a long-term perspective because “major innovations can change entire markets as the iPod and iTunes did, but they take time to perfect products and gain adoption by mainstream users” (George, 2012). Third, this leader knows that innovation requires perseverance in that he cannot stop the process of innovation once it has started.

In tandem with the characteristic of perseverance, an innovative leader must also have the courage to fail and then learn from that failure which is the fourth characteristic. This is because the process of innovation can sometimes be risky so it is not an area that leaders who are risk-averse will be successful in. But there is much to learn when an innovation fails because the failure sets the stage for an enhanced understanding of the process which could lead to breakthroughs for subsequent attempts. Fifth, an innovative leader must always be well-connected to and highly engaged with his team (George, 2012). The leader who consistently demonstrates this does so by asking his team members questions for greater clarity on the idea or the process, “probing for potential problems, and looking for ways to accelerate projects and broaden their impact” (George, 2012). Sixth, an innovative leader must be tolerant of his team and have the courage to defend them from middle management and other senior leaders. This is particularly important because innovators tend to be rule-breakers and people “who don’t fit the corporate mold and are threatening to middle managers following more typical management approaches” (George, 2012).

In addition to the above characteristics, an innovative leader will also be a team builder who is observant and maintains a level of awareness of their environment. This is important because great ideas can sometimes spark or encourage other great ideas. Thus, the leader must connect these ideas and re-shape them as necessary to produce a unique solution either for the team or organization which ultimately impacts their customers. In order to effectively manage these great ideas, an innovative leader must be cross-culturally competent. The reason for this is because he must be equipped at not only managing diverse ideas and perspectives but he must also effectively lead a diverse team.

The innovative leader will be empathetic and always focused on building relationships. This is because he understands that “new ideas start with understanding the people they are created for” (Couros, 2014) and the only way to do so is to build those relationships. When a leader takes the time to build relationships, he is able to foster trust between himself and his team as well as his customers. And “when people know they are valued and safe in trying new things, they are more likely to do something better” (Couros, 2014).

Finally, an innovative leader understands the importance of gathering data on their existing activities for the purposes of making changes or adjustments to the current processes that occur operationally in the organization. Once changes are made, the leader can then gather more data related to the new process to

determine whether the change or adjustment that was made was effective. Data provides critical insight into operations that cannot be achieved by mere observations. Furthermore, if the leader is not equipped with the skills to either gather or analyze the data, it is critical that he hire someone who can perform these tasks for him.

The characteristics discussed above are a comprehensive list of skills that are critical for an innovative leader to have. The ability to innovate is not a competency that all leaders are born with however it is one that leaders can develop in various ways either as individuals or organizationally. The key to successfully developing innovation in leadership as an individual occurs through intentional acts while developing innovative leaders in the organization occurs through supportive senior management.

DEVELOPING INNOVATION IN LEADERSHIP

Individually

A leader who is not equipped with the ability to innovate can develop this skillset as an individual. To do so, requires intentional actions on the part of the individual. This means he must be willing to change which is by no means a simple task because “change takes energy, discipline, and a willingness to do something never done before” (Zenger, 2017). In addition to this, the individual must be comfortable with the fact that change is sometimes uncomfortable and that it takes time to build a familiarity to the change in order to manage it or yield fruit from it.

The leader should also not settle for a process, product or service that is simply just good enough. “The people who were most likely to be innovative were those who weren’t satisfied with good performance but were relentlessly looking for ways to raise the bar” (Zenger, 2017). Possessing a philosophy of excellence pushes the individual to set stretch goals for themselves. By doing so, he pushes himself to either work harder or find new methods to meet his goals.

Finally, a leader can develop his personal innovative skills by assembling an innovative community. In other words, he should surround himself with a diverse group of people who are willing to share their ideas and perspectives. “Exposing yourself to new and diverse fields can profoundly impact your ability to discover an innovative approach” (Zenger, 2017). It is important to note that “the success of this community relies on a climate of reciprocal trust” (Zenger, 2017) and the members must be open to working together.

Organizationally

As a leader is responsible for working individually to develop his creative and innovative skills, it is critical that he has a supportive senior management team in place to make this happen. In other words, the leader’s senior management team must create the environment where it is acceptable for him to challenge the status quo. He must also have an organizational vision that supports the direction the organization is headed in as a product or service provider. An example of this is Johnson & Johnson’s credo which has been in place for 60+ years and states “we believe our first responsibility is to the doctors, nurses, and patients, to mothers and fathers and all others who use our products and services” (Davila, et al. 2006).

A senior management team must also be willing to commit resources to make sure the innovative skills in the organizational leaders are developed. These resources will help the leader to meet any challenges or find critical gaps that might exist within the organization and find solutions to meet these challenges. The organization’s senior management team must lead by example to develop innovative skills within their leaders, have a clear sense of command and make sure their culture is one that is open to new ideas and change. Finally, the senior management team must be intentional about creating “an innovation strategy and a set of processes and management systems to support the strategy” (Davila, et al. 2006).

INNOVATIVE LEADERS EFFECTIVELY LEAD DIVERSE TEAMS

When an innovative leader has the characteristics outlined above, he is better equipped to effectively lead a diverse team. Not only is he able to communicate to his organization and management teams that he values diversity and inclusion, the characteristics also position this leader to lead by example. An innovative leader understands the true value of diversity and, in a sense, lives the business case for it through his business practices. He knows that hiring diverse talent and leading a diverse team is “a business imperative because their companies need it to stay competitive” and he believes it is “a moral imperative because of their personal experiences and values” (Groysburg & Connell, 2013).

An effective innovative leader knows that he cannot have diversity without inclusion. This leader is one who makes inclusion his personal mission and is equipped with the competencies that enable him to lead a diverse team through the management of diverse ideas and perspectives. “With inclusion, organizations can capture a competitive advantage from changing demographics across the workplace and in the marketplace” (Korn Ferry, 2016). Managing inclusion can be challenging but as this paper details above, an innovative leader is equipped with empathy, the ability to build teams and relationships and is a visionary. These competencies supported by his passion and drive for creativity and innovation, position him to effectively lead a diverse team.

INNOVATIVE LEADERS DRIVE ORGANIZATIONAL RESULTS

An innovative leader who can effectively lead a diverse team can also drive organizational results. This is true because he creates a culture where “people understand that their ideas are valued, trust that it is safe to express those ideas, and oversee risk collectively, together with their managers” (Barsh, et al. 2008). Whether he leads innovation on an ad hoc basis or as a part of the senior leadership team agenda is irrelevant. The mere fact that he views innovation as a priority and is intentional when it comes to dedicating resources to make sure innovation is a part of organizational practices and processes is enough to foster a workplace that supports innovation.

“Innovation is inherently associated with change and takes attention and resources away from efforts to meet short-term performance goals” (Barsh, et al. 2008). An effective innovative leader understands the value of managing change through innovation in several ways. First, the leader will communicate the kind of innovation that he believes will drive growth within the organization and helps to meet his strategic goals. Second, he will make sure innovation is added to the agenda for leadership team meetings. Finally, the leader will specify performance metrics and targets for organizational innovation. These metrics will be two-fold in that it will cover the financial aspect of the business as well as the component related to innovative behavior (Barsh, et al. 2008). The financial metric could include the cost of current operations, the cost to make the creative and innovative changes and the total revenue from new products or services. This combination of metrics will prove whether the innovative change was beneficial to the business or increases profits. The behavioral metric on the other hand will measure the percentage of employees who presented innovative ideas versus ideas that came from external sources. This will let leaders know whether their employees feel empowered to share new ideas and perspectives as well as whether the ideas are being evaluated and/or tested.

VALUE OF INNOVATIVE LEADERSHIP

An innovative leader is critical to an organization in that he not only adds value to the short-term life of the company but he also creates long-term value. “As organizations grow, their capacity for innovation tends to stagnate” (George 2016), which is where creative and innovative leadership within the organization adds value. This is true because an innovative leader is skilled at rearranging “the process, placing faith in his creative directors and enabling them to propose very creative ideas” (George, 2016).

Innovative leaders understand that they are critical to the knowledge economy. They have an uncanny ability to drive growth, and tweak current organizational processes and practices to create new products

and services that deliver value to the customer (Graham-Leviss, 2016). Furthermore, innovative leadership adds value because these leaders are effective at managing risk, demonstrating curiosity, leading courageously, seizing opportunities and maintaining a strategic business perspective (Graham-Leviss, 2016).

CONCLUSION

This paper has detailed the value of innovative leadership in today's global marketplace. Specifically, it has outlined the competencies that an innovative leader should have to effectively lead a diverse team as well as drive results within their organization. Innovation is a critical part of a modern-day leader's skillset because the global marketplace is constantly evolving and advancing, thus, a leader must be agile and innovative to both survive and thrive. An organizational leader must also work to ensure their company has a competitive advantage which is what ultimately sets both him and his organization apart from the rest of marketplace. Thus, if he is not equipped with the ability to innovate, it is critical that he works to develop himself as an individual and align himself with a senior leadership team that will help him to grow within the organization.

REFERENCES

- Barsh, J., Capozzi, M.M., & Davidson, J. (2008). *Leadership and Innovation*. McKinsey & Company. Retrieved from <http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/leadership-and-innovation>
- Couros, G. (2014). *8 Characteristics of the Innovative Leader*. Retrieved from <http://georgecouros.ca/blog/archives/4811>
- Davila, T., Epstein, M.J., & Shelton, R. (2006). *Making Innovation Work: How to Manage It, Measure It, and Profit from It*. Upper Saddle River, N.J.: Wharton School Publishing.
- George, B. (2012). *Developing Innovative Leaders*. Retrieved from <http://www.billgeorge.org/page/developing-innovative-leaders1/>
- George, B. (2016). Innovation Leaders Create Long-Term Value. *Huffington Post*. Retrieved from http://www.huffingtonpost.com/bill-george/innovation-leaders-create_b_9626336.html
- Graham-Leviss, K. (2016). The 5 Skills that Innovative Leaders Have in Common. *Harvard Business Review*. Retrieved from <https://hbr.org/2016/12/the-5-skills-that-innovative-leaders-have-in-common>
- Groysburg, B., & Connell, K. (2013). Great Leaders Who Make the Mix Work. *Harvard Business Review*. Retrieved from <https://hbr.org/2013/09/great-leaders-who-make-the-mix-work>
- Korn Ferry. (2016). *The Inclusive Leader*. Retrieved from <https://www.kornferry.com/institute/the-inclusive-leader?home>
- Kuepper, J. (2017). Globalization and Its Impact on Economic Growth. *The Balance*. Retrieved from <https://www.thebalance.com/globalization-and-its-impact-on-economic-growth-1978843>
- London, C.R. (2013). When Did Globalisation Start? *The Economist*. Retrieved from <http://www.economist.com/blogs/freeexchange/2013/09/economic-history-1>
- Oster, G.W. (2011). *The Light Prize: Perspectives on Christian Innovation*. Virginia Beach, VA: Positive Signs Media.
- Spahr, P. (2015). *What is Innovative Leadership? How Imagination Revolutionizes Business*. St. Thomas University. Retrieved from <http://online.stu.edu/innovative-leadership/>
- Zenger, J. (2017). 3 Ways to Improve Your Innovation Skills. *Forbes*. Retrieved from <https://www.forbes.com/sites/jackzenger/2017/02/02/3-simple-ways-to-improve-your-innovation-skills/#659275c05ee7>