

Chapter 22

Attributes of Innovation Leaders

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ABSTRACT

Many innovative companies pass through a number of transformation stages. The transformation is considered a chain of activities that begins with information that leads to knowledge, then into learning before it can finally be used for innovation. The chapter shows that transformational leadership is a key factor for moving the organisation from being information-based into knowledge-based and then into a learning organisation and an innovative company. The six important characteristics of the transformational leaders for the transformation are shown to be courage to switch off or terminate projects, rewarding performing staff, ability to appropriately time release of products to the market, ability to release products to the market within budget, and ability to inspire and be a role model for other staff. The chapter also shows that there are fourteen transformational leadership attributes that may be considered less critical than the above-mentioned six characteristics. Those non-critical characteristics include: degree of passion for the job, attracting talent, ability to build teams, coaching subordinates, communicating at all levels, driving projects successfully, enabling project-supporting environments, advising others managers, advocating for improvement, encouraging self-goal setting, ability of self rehearsal, ability of self reinforcement, ability of self-observation, and ability of self-expectation.

INTRODUCTION

Undoubtedly, the rise of globalisation in 1980s has led to many changes in business environments, and in particular, to the concept of competitive advantages. The significance of competitive advantages to business success has been highlighted

by the use of the well recognised Porter five forces model of 1980 (Porter, 1980). The Porter model has been shown by number of authors in recent times, to be inadequate for business competitiveness in the 21st century (Soliman, 2011a, 2011b). For example the Porter model does not propose innovation and creativity as pre-requisites for

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winning modern competition. The Porter model also does not recognise the concept of learning organisation as a source of competitive advantage.

It should be noted that the 1990s Senge's model (Senge, 1990) specified five disciplines of learning organisation as a central theme of any learning organisation model. The Senge's model was in fact a response to the many concerns aired by a number of authors such as Stata (1989) who suggested that "the rate at which individuals and organisations learn may become the only sustainable competitive advantage".

Further response to the rapid changes to business environments was made by Nonaka (1991) who introduced models of knowledge management which added further dimensions to the competitive advantage debate and prompted further studies on organisational competitive advantages. In this regards, a number of authors have pointed out to the significance of the role of knowledge management and learning techniques as important key competitive advantage tools that have not been fully researched (Nonaka and Takeuchi, 1995; Zack, 1999; Nonaka et al, 2000; Soliman and Spooner, 2000; Soliman and Youssef, 2003; Soliman, 2009, 2010, 2011a, 2011b, 2011c).

Further work by López et. al. (2006) and Senge (1990) suggest that some organisational failures may be due to lack of appropriate management of organisational learning which in turn leads to unsatisfactory management of organisational knowledge. These concerns have led to the formulation of the view that traditional competitive advantages may be overridden by a new set of key competitive advantages such knowledge management, learning and creativity (Christensen, 2007 and Maqsood, et. al., 2007). Furthermore, Maqsood, et. al. (2007) pointed out that satisfactory management of knowledge and learning activities not only a prerequisite for innovations but also the link between knowledge, learning and innovation and that knowledge management should be considered a key organisational activities. This

view was supported by Garvin et. al. (2008) who noted that one of the main aspects of dynamic and continuously evolving organisations is that the organisation must be truly a learning organisation. (Rebelo and Gomes, 2008; Kalkan 2008, Mehrez 2010, Soliman 2010, 2011a, 2011b and 2011c).

This means that transforming organisations from the traditional information based form, into knowledge-oriented organisations requires strategies designed to utilize knowledge that foster learning at later stages. Such strategies need to engage managerial staff in order to facilitate the implementation of the appropriate knowledge management programs. In other words such significant transformation into knowledge based organisation should be carefully executed so that the transformation does not hinder the organisation's efforts in delivering goods or services in accordance with the organisations strategic plans.

TRANSFORMATION FROM INFORMATION-BASED ORGANISATION TO KNOWLEDGE-BASED ORGANISATION

The significance of knowledge management and its impact on modern enterprises have been enhanced by Nonaka's (1991) work on knowledge management. The Nonaka's work sparked a number of research activities about the modern corporation's power and its intellectual or intangible capabilities. A significant finding of some of these research activities is highlighted by the introduction of the definition of "knowledge-based intangibles" by Quinn (1992) who proposed that the value of most products and services may be dependent on such as technical know-how, product design, marketing presentation, understanding customers, personal creativity and innovation. Quinn findings have led many enterprises to consider collective knowledge as a key competitive tool from which innovation can emerge. Further work by Quinn et al (1996)

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