

INNOVATION AND LEADERSHIP

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ABSTRACT

Innovation is more than the transforming an idea into a product. It has to be based on market understanding and be backed by appropriate management skills, technology and of course by money flow. And it is done through help of effective leaders. Innovators and leaders both are interdependent. An effective leader only can be a good innovator. Thus innovators that are effective leaders is a visionary person who creates something new, organizes production and undertakes risks and handles economic uncertainties involved in business. Innovative leadership focus on: (a) integrate leadership and innovation into welfare and other social developmental efforts of the government both in the rural as well as urban sectors; (b) deploy workforce and community development systems to support and promote leadership and innovation; (c) use the education system for harnessing leadership talent at all levels. The present study is an attempt to fix a cost-benefit analysis between the two term i.e., innovation and leadership.

Key Words: Innovative ideas; Leadership skills; Competitive business environment; Productivity; Visionary approach.

INTRODUCTION

Leader, leadership and innovation are not born characteristics. These are competencies that an organization can learn. The crux of the issue is to combine managerial practices with the acts of innovation to create leaders and institutionalize leadership. Innovation has been a key to the success of practically every leader (James R. Brown, 2000). Essentially, leaders are innovators (Burns, J.M., 1998). Mathew Hornfill (2007) in his famous book 'Innovative ideas and Leadership' says; "Innovation is the specific instrument of leadership. It is the act that endows resources with a new capacity to create wealth." That's about the crux of it.

In a highly competitive business environment, firms — particularly goodwill based firms (GBFs) — need to maintain their competitive edge (Reetika, 2007). They need to keep upgrading their speed and quality continuously. And GBFs have to do it with limited resources. This is where innovation comes into play. "GBFs need to counter the advantage of excellent leaders, that big companies have, by showing an ability to innovate and respond at a faster pace than others," says Mr. Devappa, (2010) Founder CEO of Brindavan Incenses. However, innovation is more than the transforming an idea into a product. It has to be based on market understanding and be backed by appropriate management skills, technology and of course by money flow. Moreover, it is not only about improving a

product; it can also be applied for improving a process.

When Ray Kroc (1972) introduced his famous assembly line production, it was actually a process innovation. "Optimal utilization of the resources is the only way that these organizations (GBFs) can address the competition and growth challenges. It calls for adopting newer technologies to improve the process and system around those resources and it is possible by the positive vision of an effective leader," says Eric Schlosser Investigative journalist. In fact, as Mr. Schlosser adds, "Effective Leadership can be a great business enabler" by which an organization can gear up its processes to meet the challenges of a competitive market.

OBJECTIVE OF THE STUDY

- Understanding the role of leaders in innovative ideas.
- To Justify that innovators are good leaders and vice versa.
- To involvement and attention of big and small business houses for interdependency of leaders and innovators and taking steps accordingly.
- To help in assessing the cost benefit analysis of importance of leaders in innovation.

HYPOTHESIS

- Leadership does increase the productivity through innovation.
- The leaders are visionary for innovation and growth.
- Innovation and leadership are interdependent.

Materials and Methods

The present study is based upon descriptive research design. Descriptive research is also called statistical research. The main goal of this type of research is to describe the data and characteristics about what is being studied. I selected descriptive research because I want to get better understanding of the topic. Descriptive research is the exploration of the existing certain phenomena. The secondary data is collected through websites, book, magazines, journals etc.

RESULTS AND DISCUSSIONS

Innovation can never happen in isolation. It is a dynamic force that is moved by the ideas and requirements of the world that we live in. Many times, innovations bring about a big change and many times innovations happen as a reaction to change. The invention of television shook up Hollywood. But one man saw opportunity in it. His name was Walt Disney. The advent of television inspired him to build the world's first media company that transformed his cartoon creations into money making toys. Little wonder that Walt Disney 'believed in being an innovator.'

If we consider the biggest success stories of great leaders in India then it is all about innovation. From Jamshedji Tata to Dhirubhai Ambani and from Laxmanrao Kirloskar to Azim Premji, the word innovation occurs in their story in bold letters. These are big names. But they all

started small and built their empires through innovation.

Innovation and leaders are two sides of the same coin. Both are intimately interrelated and correlated to each other. Innovation is the crux of leadership. It helps in developing entrepreneurial base of the country through application of newly-created things into practical use. According to Robinson, leadership is a creative activity and leader is essentially an innovator. Innovation manifests itself in problem-solving activities wherein leader acts as a problem solver. He is the person who converts the problems into opportunities. His role is to do the things in a novel and better way. Innovation implies doing new things or doing of things that are already being done in a new way.

Innovation means "doing new things or the doing of things that is already being done in a new way." It includes:

1. Introduction of a new good, that is, one which consumers are not yet familiar with or of a new quality of a good.
2. Introduction of a new method of production founded upon a discovery scientifically new and can also exist in a new way of handling a commodity commercially.
3. Opening of a new market, that is, a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market has existed before.
4. Conquest of a new source of supply of raw materials or half-manufactured goods, irrespective of whether this source already exists or whether it has first to be created.

THE DISCIPLINE OF INNOVATION

We live in a period of very rapid change. That also means that the opportunities for improving, for getting results, are changing very fast. The discipline of innovation means having a clear mission. It means defining what you mean by results.

In a rapidly changing society innovation is badly needed because the problems are changing. All societies need the community organization that is out to make a difference, the organization that works on the local level with local volunteers and gives them opportunities to contribute. These volunteers are successful people, but they need significance and to have results, especially results that show all of us that we can make a difference, we can change things. This is what the discipline of innovation is all about.

INNOVATORS AS LEADERS

Thus innovators that are effective leaders can be defined as a visionary person who creates something new, organizes production and undertakes risks and handles economic uncertainties involved in business. Leaders of the modern, high technology and highly competitive organizations exhibit inspirational styles with vision perform the work effectively, i.e., do the right things. Mr. Kulkarni of Larsen & Turbo leads the company with clear vision, emphasis on quality, comprehensive outlook and perfectness in work,

innovation, creation and diversification into the related areas. Mr. Nair of Rourkela Steel Plant of SAIL, Mr. G. Subba Rao of Andhra Pradesh Paper Mills Limited and Mr. Krishna Kumar of Tata Steel and Prof. M. Rama Mohan Rao of Indian Institute of Management, Bangalore, transformed their organization from less performed into highly performed company.

According to Bass, B, Avolio, B. (1994) various types of changes initiated by leaders are:

1. Initial Expansion: Original production of goods.
2. Subsequent expansion: Subsequent changes in the amount of goods produced.
3. Factors Innovation: Increase in the supply or productivity of factors.
 - (a) Financial: Procurement of capital from new source or in new form.
 - (b) Labor: Procurement of labor from new source or new type, upgrading of existing labor.
 - (c) Material: Procurement of old material from new source or use new source or use of new material.
4. Production Innovations: Changes in production process.
 - (a) Technological: Use of new production process.
 - (b) Organizational: Change of form or structure of relationship among people.
- 5: Market Innovations: Changes in size or composition of the market.
 - (a) Product: Production of new products or change in the quality cost of existing product.
 - (b) Market: Discovery of new market.

Leader is different from a manager. According to James R. Brown (2000), manager is one who deals with day-to-day affairs of the business whereas a leader is the viewer and makes policies and takes decisions.

According to Mr. House (2001), modern theory of leadership is closely related to the innovation. He summarized his findings as follows:

"A simple definition of leadership is that leadership is the art of motivating a group of people to act towards achieving a common goal. This definition of leadership, I think, captures the leadership essentials of inspiration and preparation. He is the person in the group that possesses the combination of personality and leadership skills that makes others want to follow his direction. In business, leadership is welded to performances. Those who are viewed as effective leaders are those who increase their company's bottom lines. To further confuse the definition of leadership, we tend to use the terms "leadership and innovation" interchangeably, referring to a company's innovation structure as its leadership, or to individuals who are actually innovators as the "leaders" of various management teams.

For effective business leadership

1. A leader plans.
2. A leader has a vision.
3. A Leader shares his vision.
4. A leader takes charge.
5. A leader inspires through examples.

Secrets of leadership success

1. A leader makes things happen. 2. Listen and understand the issue, than lead. 3. A successful Business leader can answer the questions of everyone within his organization wants answer to. 4. A successful business leaders need to master the skills that will allow them to work anywhere in to-days dynamic business world. 5. An effective business leader has to be curious. 6. An effective business leader has to listen to both sides of the arguments. 7. Prepare, prepare, prepare.

SUGGESTIONS

Research on effects of an effective leader on management innovation has suggested the following a few important factors. There's something intriguing about the phenomenon of management innovation. Almost by definition, it is hard to do. But when a leader does have the courage to innovate in this way, the very same qualities are what make the innovation hard to competitors to copy.

Become a management innovator: Just as a leader need a physical R&D lab to do technological innovation, based on awareness and dedicated resources to take .management innovation seriously. Very few companies do this at the moment.

CONCLUSION

Innovation, in fact, takes many forms and the search for new or existing need applies to all functions — research, production, distribution, advertising and salesmanship. While innovation is one facet of technology development process, discoveries but leadership also plays a significant role in development of "act of insight", going beyond the exercise of normal technical skill.

According to the findings of this study, a period of five to ten years elapsed between pure research and the realization of leadership fruits in technological innovations.

In view of the experiences of several countries, following initiatives are needed to give our economy on leadership focus: (a) integrate leadership and innovation into welfare and other social developmental efforts of the government both in the rural as well as urban sectors; (b) deploy workforce and community development systems to support and promote leadership and innovation; (c) use the education system for harnessing leadership talent at all levels; (d) incubate leader with innovative companies by providing incubation services through physical and virtual incubators and also through remote incubation options for rural areas. As it has been well said by Michael Hammer, Re-engineering Guru, "It takes a long for new ideas to penetrate organizations and to be turned from theory into reality.", "It can be achieve only if there is a good system of dependency of innovation and Leadership"

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