

Organizational Innovation

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The history of innovation

Innovation, best defined as the gradual or sudden improvement of products or services in the light of new technologies or models, is at the heart of every civilization (Godin, 2020). Thus, while widely spoken of in the current century, innovation has been within the human society since the dawn of civilization. In lieu, the incremental changes from the cave men behavior to the start of agricultural practices in Mesopotamia, to the building of Pyramids in Egypt, innovation has been the wheel upon which humanity has improved itself, and sought to add value and transcend its environmental circumstances (Godin, 2017). Some of the critical milestones in the human civilization that are worthy of historical chronicle as far as innovation is concerned include the invention of the printing press which acted as the purveyor of widespread printing of information (Wade, 2012). Arguably, this was the first time that humans took on the journey that has most defined the current innovation computing.

In the roll of centuries, and the shift from reliance in slavery and the need for mass production led to the invention of the cotton gin, the steam engine, and the assembly line. Out of necessity, humans quested to find more lasting ways of having sustained electricity; and through physics, the electric motor was developed. Thereafter, Thomas Edison, after a series of trial and error, came up with the electric bulb (Godin, 2020). New means of communication such as the invention of the telegraph, and the telephone by Graham Bell opened up societies to communication. In the 20th Century, the pace of innovation was fanned by the wars – with military technology advancing at a fast rate than ever before. In the aftermath, computing systems started becoming a focal issue with scientific discoveries and first generations of

computers being developed (Johnson, 2011). Then came the 1980s when Steve Jobs, Steve Wozniak, and Bill Gates, among other pioneers of the modern age of computing became the pioneers of technological innovation (Johnson, 2011).

Apparently, during this period, there was remarkable development and innovation in other fields such as medicine and organizational behavior (Johnson, 2011). Thus, innovation has been a result of the necessity to better human life, as well as improve on existing processes. Businesses, too, have experienced vast innovation in how they organize and conduct their affairs, ranging from how the evolution of organizational structures from high command organizations to sustainable organizations. This is a result of the continuous improvement in systems and approaches, with a significant shift from processes to a consideration of values (Johnson, 2011). Therefore, the concept of innovation through history is a product of quests to improve, and increase value. While in some cases innovation has been accidental, over the last 50 years the concept of innovation in organizations has been intentional and incremental (Godin, 2017). Organizations, as such, plan, promote and advance innovation through research, innovation lab, value chains, and boot camps.

Why the CEO is responsible for innovation within the organization

While innovation in organizations is a systemic and planned process with offices tasked with activities spurring innovation, the CEO is the ultimate leader for innovation within the organization. The demarcation between innovation and leadership is vexing, as leaders do not have to be innovators but they have to support innovation systems in their organizations. Thus, the burden of innovation rests on their capacity to articulate the vision, and create a culture that allows innovation to thrive (Wade, 2012). This includes setting aside budgets for

innovation processes such as innovation labs, design systems, and experiments that yield innovative products or outcomes (Wade, 2012). These tasks require the good will of stakeholders and a consistent leadership model that seeks to advance and yield results. For it is apparent that without leadership, some of the most innovative ideas will only remain at the ideation stage, or lack in resources to execute them. Thus, the CEO being the ultimate leader of the organization makes innovation a possibility. In addition, a CEO allows for an environment where the employees feel free to experiment and float new ideas.

Organizational leadership, as such, is the buck upon which the state of innovation rests. For it occurs that many organizations have experienced success or failure based on the model adapted by their top leadership. For instance, for every Apple company, there has been a Steve Jobs pushing the employees to their limits and to rethink the next products; and for every Tesla, there is a Elon Musk willing to steer the vision for innovative products by gathering the necessary resources and bringing the right stakeholders on board to weather whichever challenges that may abound in the process of actualizing their vision. Thus, the leader who is the CEO, sets the organizational pace for innovation including doing a vast role which does not necessarily confine itself to the technological know-how, but also includes issues to do with creating the structures and culture for innovation. The notable example that illustrates this is the failure of Nokia company, which due to lack of innovative leadership ended up being a failure despite having talented employees who had made the company a success during the first decade of mass mobile phone adaption (Hussein, 2020). However, as the leadership was not adaptive and agile enough to innovate or push for innovation, the company lagged in the smartphone revolution. The company simply slacked and lagged – did nothing wrong yet they

failed (Hussein, 2020). This is an indictment to the role of leadership in organizational innovation as innovation does not happen in a vacuum; like change, it must be steered.

How Transformational Leadership Style Fosters a culture of innovation

As regards to leadership styles that foster innovation, transformational leadership provides the best model for innovation (Van Baarle et al., 2021). Transformational leadership is a model of leadership that inspires employees to pursue growth, to become better, and to innovate (Van Baarle et al., 2021; Asbari, 2020). The concept of transformational leadership fosters a culture of innovation by pushing for growth. Some of the core values that define transformational leadership, such as idealized influence, inspirational motivation, intellectual stimulation, and individual consideration play a crucial role in advancing an innovative organization. For it occurs that the idealized influence is based on capacity to create influence in an organization (Asbari, 2020). This is exemplified in the Steve Jobs phenomenon in Apple which has ingrained the concept of aspiring to live up to the founder's dreams and vision (Hong et al., 2023). Other CEOs in other companies have ingrained transformational leadership value of idealized influence through transcending values such as Amazon founder Jeff Bezos who set the value for "always day one," where the entire organizational approach is remaining young, adventurous and inquisitive (Kantrowitz, 2020). This element is useful in sustaining innovation as one of the sustainable organizational cultures or values.

Besides, inspirational motivation, which is a significant aspect of transformational leadership, is useful in creating a sustainable organization which allows employees to set and reach for new targets (Asbari, 2020). For instance, employees working in a research department can harness inspirational motivation to develop a new product or a new system. This is based

on feeling that what one is doing is valuable to the organization. In addition, inspirational motivation is what pushes teams to pursue the innovation goals or process regardless of the challenges they may face on the way. This shows transformational leadership as a core concept in creating resilience during the innovation process (Van Baarle et al., 2021; Holbeche, 2019).

In addition, transformational leadership advances intellectual stimulation which is useful in spurring innovative thinking, and participating in innovation process (Chaurasia et al., 2020). In his Stanford speech, the father of modern innovation, Steve Jobs stated the need to “stay foolish, stay hungry,” which calls for intellectual curiosity as a useful component in innovating (Hong et al., 2023). Thus, as transformational leadership allows everyone within the organization to seek for new avenues for growth, they are likely to develop new processes or advance on the existing ones. This ensures that the concept of a learning organization is sustained.

Transformational leadership, as a precursor for innovation, integrates well with a sustainable organization by promoting personal growth through individual consideration (Asbari, 2020). That way, the individual strives to attain fulfilment through pursuit of both personal and professional goals. As with all pursuits, innovation is ingrained within the human psyche as they strive for individual fulfilment or personal accomplishment. Thus, transformational leadership helps to nurture and celebrate the personal initiative of employees to develop new ideas, and experiment (Chaurasia et al., 2020). Therefore, the transformational leader will allow the employees to experiment, and offer resources for them to advance their capacity to fulfil their professional and personal aspirations.

In conclusion, innovation has been around for centuries even though it has become more formalized and studied in the past 50 years. Organizations and civilizations have been sustained through the power of innovation. In essence, the CEO is the ultimate person tasked with innovation within an organization as they offer the leadership necessary to create both structures, systems and offer vision for innovation to take place. Besides, transformational leadership is the best model of leadership to attain innovation.

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