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INNOVATION AND LEADERSHIP IN ORGANISATIONS: A THEMATIC ANALYSIS

By

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DECLARATION

This research is conducted as a fulfilment of the requirement for master's degree in International Management by Bristol Business School, University of the West of England. The work belongs to the researcher. Other people's works have been fully attributed.

ABSTRACT

Over the last 30 years, innovation has caught the attention of researchers and practitioners (Gatignon *et al*., 2002; Damanpour, 1987). Nowadays innovation is seen as the key thing for keeping the leading position in the world markets. Innovative organisations use knowledge creatively. Creativity is the constituent that improves the organisations' capability to preserve their competitive advantage as well as to stay ahead of their competitors. Therefore, team/group level and organisational level innovation is significant for organisations to be successful (Hargadon and Beckhy, 2006; Sawyer, 2006). In order to achieve the required innovation and creativity, leadership style is an important issue (Adair, 2007). This study discussed the relationship between innovation and leadership as part of internal organisation, specifically, three leadership theories and intrinsic motivation, by using thematic analysis (Braun and Clarke, 2006) and systematic literature review (Tranfield, Denyer and Smart, 2003) methodology. 20 articles that were published between 2009 and 2014 have been analysed. As a result, seven prevalent themes are found out. These are creativity and innovation in the organisations, different innovation perspectives, different leadership styles, individual creativity, team innovation and intrinsic motivation and leader follower relationship.

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Table of Contents

Table of Figures

LIST OF ABBREVIATIONS

ED = Executive Director

IL = Instrumental Leadership

LMX = Leader-member Exchange

R&D = Research and Development

SBU= Strategic Business Unit

SLR = Systematic Literature Review

CHAPTER 1

INTRODUCTION

Over the last 30 years, innovation has caught the attention of researchers and practitioners (Gatignon *et al*., 2002; Damanpour, 1987). Nowadays innovation is seen as key for maintaining the leading position in the world markets. For sustained business success, new ideas and new methods of practice are the main elements of innovation (Adair, 2007). Innovation can be defined as the outcome of a set of activities that are knowledge based to create new value for those benefiting from its use (de Sousa, 2006). As such, innovation is seen to provide major opportunities for organisations (de Sousa, 2006). There is a common acceptance that an interactive process of knowledge generation and application bring forward opportunities for innovation. Organisations need to develop knowledge, enable the sharing of knowledge, and apply the knowledge developed so that the organisation can generate innovation (Hargadon and Beckhy, 2006; Sawyer, 2006). Innovative organisations use knowledge creatively. Creativity is the constituent that improves the organisations' capability to preserve their competitive advantage as well as to stay ahead of their competitors (Hargadon and Beckhy, 2006; Sawyer, 2006). Collaboration between creative individuals, each with varying knowledge, perspective and skills is an inseparable part of the many achievements in the companies. These kinds of collectives can tackle various challenges that cannot be met individually. Therefore team/group level and organisational level innovation is significant for organisations to be successful (Hargadon and Beckhy, 2006; Sawyer, 2006).

In order to achieve innovation and creativity leadership style is an important issue (Adair, 2007). In this study, three leadership styles will be discussed in relation to creativity and innovation. These are creative leadership model (Isaksen and Tidd, 2006), transformational (Dvir *et al.,* 2002) and transactional leadership theories (Isaksen and Tidd, 2006). Isaksen and Tidd's (2006) creative leadership is that leaders might need to combine their expertise and experience in order to provide a more creative approach to problem solving. Hence, the concept of creative leadership is seen as an inclusive process of mutual influence and communication. In this process leaders' function is as a catalyst for navigating change along its full spectrum. Transformational leaders expand and enhance followers' targets and ensure them with confidence to exhibit a performance beyond expectations in the exchange agreement (Dvir *et al.* 2002). Hence, transformational leadership is related to innovation in the study of individuals, teams/groups and organisations. Another leadership theory that is related to organisational innovation is transactional leadership, because a transactional style symbolises the cooperation between the leaders and followers.

1.1 Problem Statement

Hippel, Thomke, and Sonnack (2001) highlight that for current organisations innovation has been one of the most significant matters as innovation is seen as "critical to the development of new products which will allow companies to grow rapidly and maintain high margins" (p. 31). Leaders could benefit from a comprehensive and interconnected process for innovation; and its components, which comprises individual thinking

preference, social context, and its processes are used to create novel ideas (Deardorff, 2005).

This research is based on Keupp, Palmié and Gassmann (2012: 383) identification of a gap in the innovation knowledge. Their systematic review of the understanding of the strategic management of innovation highlighted inconsistencies and gaps in the knowledge predictions. Moreover, existing research tends to concentrate on organisation and its social environment rather than intrinsic motivation and leadership styles (DeCanio *et al.* 2000). In order to contribute to development of the field, Keupp, Palmié and Gassmann (2012) and DeCanio *et al.* (2000) identify knowledge gap in the relationship between the internal organisation and innovation. Thereby, the focus of this study will be on the relationship between innovation and leadership as part of internal organisation, specifically, the three leadership theories identified and intrinsic motivation. In order to fill the gap in the literature, findings of different individual papers' will be synthesized the leadership theories and organisational innovation.

1.2 Background and Rationale for the Study

Within the organisational context, resistance to change increases; there are prevalent explanations for this phenomenon. As people are a part of a powerful hierarchy that controls their future, they feel less in control when operating within the organisation. There are usually power dynamics going on, as most of the time someone else is ultimately in charge of the change process. The experienced losses as part of a change process may be more visible to others, and such exposure makes them feel more vulnerable

(Beerel, 2009). Lastly, groups always fear for the survival of the group; employees are thus caught in the 'groupthink' around resistance to change (Beerel, 2009: 15). In that case the leaders' talent skills, knowledge and competencies are important. Therefore, organisations should be ahead of change rather than trying to manage it. One of the best ways of being ahead of change is leading the innovation and creativity successfully.

The only ones who survive are the change leaders whose attitude is to abandon yesterday, to feed opportunities and inculcate a policy of systematic innovation (Drucker, 1992; Hamel, 2002). As Mishra and Singh (2010) claim, success focused organisations need to be innovative in order to compete with opponents in the industry.

1.3 Purpose of the Study

The objective of this research is to conduct a qualitative thematic analysis as detailed by Braun and Clarke (2006) combined with Tranfield, Denyer and Smart's (2003) systematic literature review (SLR) methodology. The primary aim of the researcher of any field is to provide the best evidence for practice and inform policy by undertaking a review of the literature. SLR is a thorough research approach, which is perceived trustworthy because, this approach requires analysing the literature systematically.

1.4 Importance of the Study to Leadership

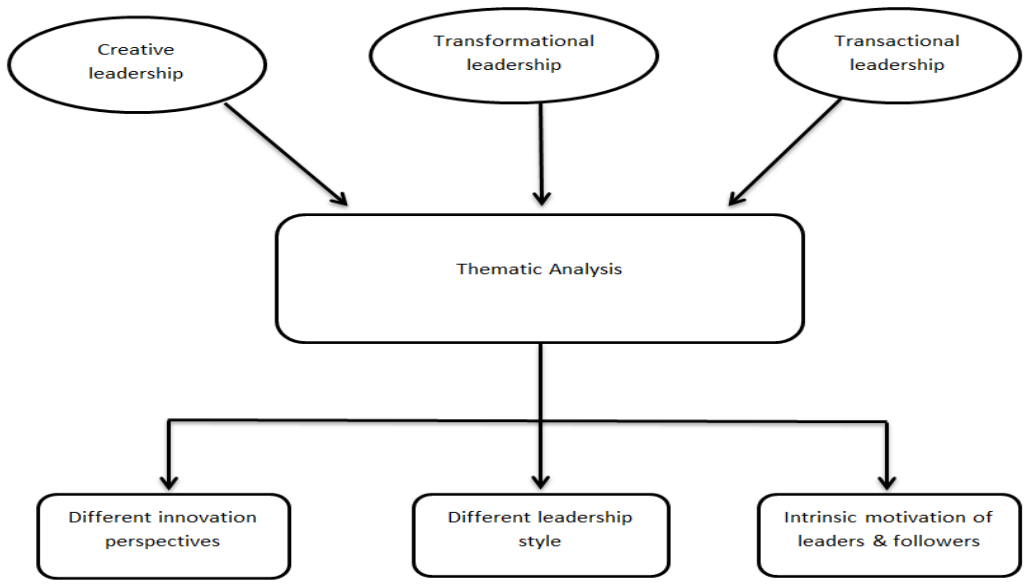
This study aims to contribute to the existing body of literature for leaders who have to cope with creativity and organisational innovation. Prestwood and Schumann (2002) state that a leader is the person who has

the ability to turn the dreams into reality; “Leadership is a state of mind not a position” (Prestwood and Schumann 2002, p: 1). In this age of uncertainty, organisations are likely to be confronted with unexpected and undesirable circumstances. There is, a need for leaders with an innovative approach to support creativity, which will bring the organisation into a successful position (Prestwood and Schumann 2002). This study found out five prevalent themes that appear in the 20 articles published between 2009 and 2014. These are; creativity and innovation in organisations; different innovation perspectives; different leadership styles; individual creativity, team innovation and intrinsic motivation; and leader, follower relationship.

1.5 Research Design Statement

Figure 1 demonstrates the research framework of this dissertation by showing the results of the research. The research conducted with a theoretical framework of creative, transformational and transactional leadership provided the following, three themes: which are different innovation perspectives, different leadership styles and intrinsic motivation of leaders and followers.

Figure 1: Roadmap of the Dissertation



1.6 Research Questions

- **Research Question 1**: What kind of leadership is required to support a successful organisational innovation and creativity?
- **Research Question 2**: How do different leadership styles affect the individual, group and organisational level innovation?
- **Research question 3**: What is the impact of leaders' intrinsic motivation on the success of innovative companies?

1.7 Theoretical Framework

Bass (1985) investigated, the majority of the contemporary leadership literature on innovation refers to the transactional and transformational leadership theories. On this basis, the theoretical framework of the proposed study will be transnational and transactional leadership theories. In addition, Isaksen and Tidd's (2006) creative leadership model will be considered to support the arguments.

Figure 2: Dissertation Structure

Chapter	Chapter content	Elements	Word count
1	Introduction	Topic-Research questions-Justification-Overview	1255
2	Literature review	Theory-Models-previous studies-gaps in the literature	3971
3	Sources & methods	Methodology-Fieldwork-Instruments	3523
4	Issues and findings	1.One key research question per chapter 2. One main theme per chapter	3863
5	Issues and findings	3. Each chapter builds the argument 4. Emphasis of originality of findings & theoretical reflections	2283
6	Conclusion	Restatement-Review of findings-contribution to knowledge-Limitations-Future research	947

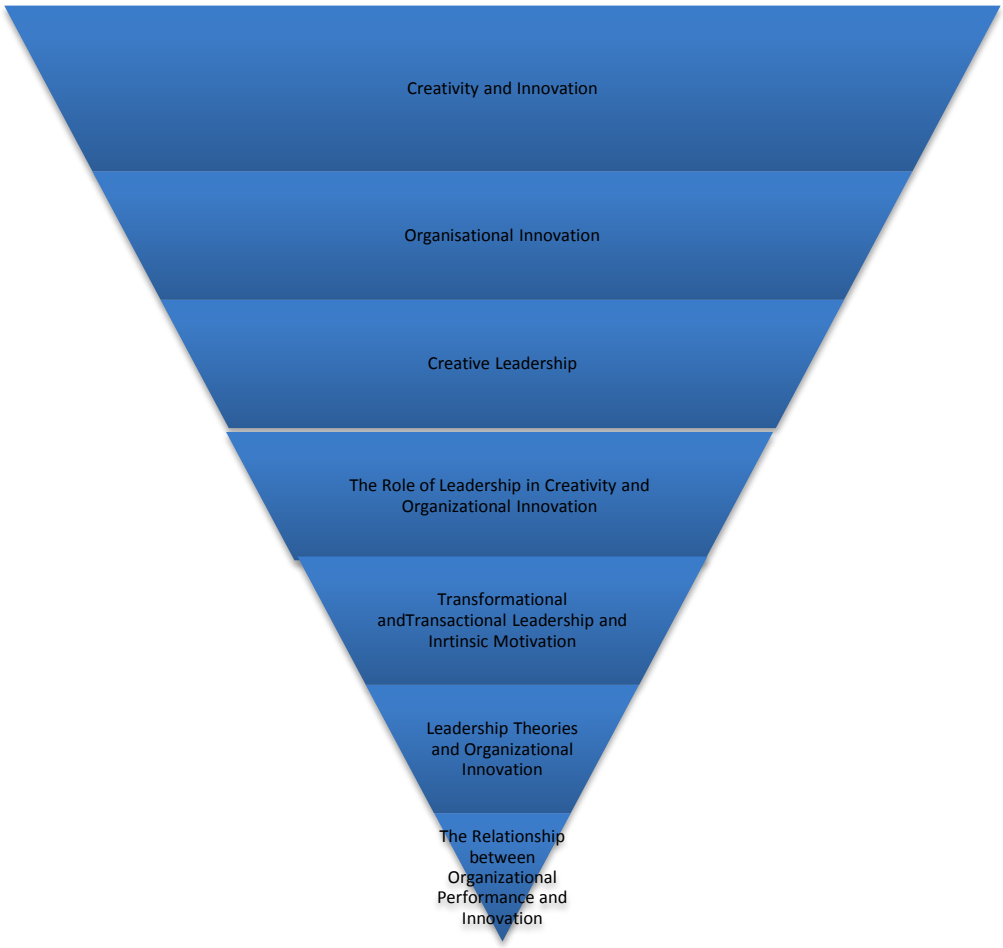
CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The aim of this chapter is to review and synthesize the literature written about innovation and leadership in organisations. The chapter is divided into eight sections. The first two sections provide the definition of creativity and innovation. The third section compares and contrasts the term innovation and creativity. The next section narrows down to discuss the organisational innovation. In the fifth section definition of leadership and creative leadership will be discussed in detail. The sixth section explores the literature about the role of leadership in creativity and organisational innovation with three subtitles, which are transformational leadership, transactional leadership and intrinsic motivation. The seventh section investigates the relationship of leadership theories and organisational innovation. Lastly, the eight section aims to explore the relationship between organisational performance and innovation. The figure 3 below illustrates the intended literature review.

Figure 3: Innovation and Leadership in Organisations



2.2 Creativity

Mishra and Singh (2010) stated that creativity has its origins in the Latin and Greek words Creatus' or 'Creare' which means to make and the word 'Krainein' to accomplish. Hence, the definition of creativity is given as competence to invent or develop novel concepts. Actually, creativity can be used as a conscious device for organisational leadership in the achievement of adaptability (Mishra and Singh, 2010). Discussing and studying creativity is difficult, there is no united definition for it and various approaches has been taken to study it. However, in Basadur Graen and Green (1982) creativity is modelled as a process. There are stages or phases in this process, it has

been demonstrated effective in allowing people in organisations to boost creative performance. Organisational creativity drives adaptability, which has been described as a constant process of innovative thinking or implementing original explanations and finding and solving problems (Basadur, Graen and Green, 1982).

2.3 Innovation

After the publication of one of the earliest books on innovation and management by Burns and Stalker (1961), subsequently innovative attempts and leadership became popular gradually. This situation resulted in leaders' consideration as a principal factor in the advancement of organisational innovation (Hemlin, 2006; Hülsheger, Anderson and Salgado, 2009; Afshari *et al*., 2011). In order to understand this relationship first of all the definition of innovation needs to be considered. Innovation is defined as;

> "The implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations."(OECD 2005, p.46)

The term innovation has come to be used to refer to the ability to create helpful unique things to change in ways of doing thing (McKeown, 2008). It can also be seen as transformation in services or products that comprises the progression of aspects and capacities likewise recognition of novel idea or product (Benner and Tushman, 2003). From the organisational perspective the phenomena of innovation can be seen through wide range of approaches (Fagerberg, Mowery and Nelson, 2006). The innovation can be pointed out as the organisation's advanced productivity and growth. This can

guide an organisation towards a continuous accomplishment (Fagerberg, Mowery and Nelson, 2006). As Mishra and Singh (2010) claimed success focused organisations need to be innovative in order to compete with opponents in the industry.

Being innovative is closely related to the organisation's capacity to take advantage of its information source or intellectual capital (Subramaniam and Youndt, 2005). They also highlight the importance of interrelationships across the organisation and collaborative networks as a part of an innovative organisation's design. Another evidence for the significance of the innovation in organisations is Hamel's (2006) study. He highlighted that long lasting advantage and dramatic shifts can be created by innovation in addition to previous discussions (Fagerberg, Mowery and Nelson, 2006; Mishra and Singh, 2010; Subramaniam and Youndt, 2005). Both creativity and innovation are important for organisations; therefore following section will discuss the concepts together.

2.3.1 The Relationship between Creativity and Innovation

Although, creativity and innovation are replaceable (Basadur, 2004; Csikszentmihalyi, 1999; Rank, Pace, and Frese, 2004) understanding the difference between creativity and innovation is difficult. The concepts of creativity and innovation are distinguished by some authors such as Amabile, *et al.,* (1996); Oldham and Cummings (1996); Rank, Pace and Frese (2004). That is to say, ideas and products that are produced at the individual level are referred by creative performance. Creativity is frequently seen a concept creation (generation), and innovation is viewed as application of ideas

(Amabile *et al.,* 1996; Anderson, Potocnik and Zhou, 2004; Scott and Bruce, 1994). In contrast successful application of these products at the organisational level is referred as innovation *(*Amabile, *et al.,* 1996; Oldham and Cummings, 1996; Rank, Pace and Frese, 2004). For this dissertation, creativity will be used for individual level, and innovation will be used for organisational level.

Lastly, Isaksen and Tidd (2006) highlight that neither creativity nor innovation alone is sufficient. Initiatives on creativity tend to focus mainly on individuals and groups, and their ability to think differently and create novel ideas, but without a clear commercial outcome. Innovation is the conversion of new and useful ideas and concepts into something of commercial or social value. Leadership is critical influence factor on all of these acts and behaviours (Isaksen and Tidd, 2006).

2.3.2 Organisational innovation

In the social sciences, numerous paradigm shifts (Kuhn, 1996) were improved and put into practice. Two definitely dissimilar situations appeared, which are organisational innovation and individual innovation. The organisational context arbitrates the prospective of an individual and channels it into creative production (Stenberg, 1999). Organisations are argued to provide an important framework to enable innovation (Koa, 1991), however, Kanter, Kao and Wiersema (1997) argues that the distinction must be made between organisational and individual innovation. Koa (1991) proposes that individual and organisational innovation can be related within a model of the organisational context, a directional frame and personal innovation. In Koa's

(1991) model a directional frame based upon “what a given group of people or an organisation understands about the innovation need” (p.5) can enable the individual to innovate in a way that satisfies the organisational context. Although, Kanter, Kao and Wiersema (1997) claims that individual innovation is more important, West and Far (1992) argues the importance of organisational innovation. It can be argued that both of the concepts fit together, organisational contexts help the individual to achieve the organisational roles (Koa, 1991).

Inside these organisational circumstances Amabile (1988) argued the existence of four criteria for a general model of organisational innovation. According to these principles, in the organisational innovation procedure the whole activity of individual creativity must be included. All aspects of innovation that is effected by organisation must be attempted to incorporate by the model. Amabile’s (1988) study emphasizes the significance of creativity and innovation combination within the organisation. Although Amabile’s (1988) study looks very mature and perceives the organisations as fully developed entities, the problem is, it does not take current organisational fluidity into consideration. Therefore, there is a need for current discussions. In order to be able to reply to the changing environment organisations need to innovate and become different (Koteliikov, 2004). As it is previously referred (McKeown, 2008; Benner and Tushman, 2003) innovation can transform the services or products, so new ways to deal with things need to be identified by the organisational innovation, by which an organisation is led to provide a corporate source for innovation (Koteliikov, 2004)

2.4 Creative Leadership

When innovation, transformation and growth are considered, the kinds of challenges leaders face require creativity. Leaders need to consider how to lead creatively (Isaksen and Tidd, 2006). An implication of creative leadership is that the leaders might need to combine their expertise and experience in order to provide a more creative kind of problem solving. Hence, the concept of creative leadership is seen as an inclusive process of mutual influence and communication. In this process leaders' function is as a catalyst for navigating change along its full spectrum (Isaksen and Tidd, 2006).

In the literature there are a large number of leadership definitions, but Yukl's (2002) definition is influential and reasonable, stating that leadership is a process through which an individual implements impact over a group. Three elements of leadership are the leader, the group/team members and the leader-member work relationship (Graen and Uhl-Bien, 1995). Leadership is both studied at the individual and group level. Previously, it was argued whether innovation depends upon individual or organisational abilities.

According to Cogner (1992) the leader is an individual who organizes team members and gains the group members' loyalty, and then encourages these members to accomplish the target. Northouse's (2004)'s study asserts that leadership is a process in which an individual affects a group of individuals to accomplish a common ambition. The Abominable Snowman metaphor (Bennis and Nanus, 1985) emphasizes that leadership's footprints are everywhere but it is difficult to see the person whom the footprints belong. It means if leaders want their teams to be creative, they must act in a creative way. The team must see the creative footprint for example, Richard Branson

from the Virgin has reputation for being a creative person; therefore his organisation is more creative. It can be argued that both Conger (1992) and Northouse (2004) define leadership in a sense similar to transformational leadership.

The creative problem solving styles of individuals, teams and organisations, can be differentiated and the leaders management style can have an important influence on performance. Leaders must appreciate individuals' different choices using different tools to stimulate people to think together in innovative ways (Basadur 2004). You can imagine a creative individual, but in an organisation there are lots of individuals. Maybe they are not individually creative but by following Basadur's (2004) plan, it can be argued that creative leader can help the team to be creative.

The role of leaders is an important issue of the organisations and businesses nowadays because leadership style is so important to moderate organisations, its necessary to understand how different leadership styles may impact upon creativity and innovation. In addition to the above, leaders must be able to cope with change as illustrated by Isaksen and Tidd (2006).

Figure 4: A Model for Creative Leadership

(Source: Isaksen and Tidd, 2006)

The three dimensions of the model above are management competencies, leadership practices and strategies and leading on the edge of chaos. All the dimensions are significant for the organisational change at the individual, group/team and organisational level, because creativity and innovation plays an important role in the change process (Martin and Martin, 2002).

At an individual level interpersonal skills are important and a leader should provide a clear expectation about the aim to be accomplished. At a group/team level, a more integrative and facilitative function should be provided with focusing on obtaining clarity and generating ideas. At an organisational level, to ensure leaders' openness to new insights organisation-wide procedures and systems should be provided. Also, this

model requires an investment in selecting and developing leaders who can effectively deploy the full range of leadership practices (Isaksen and Tidd, 2006)

Isaksen and Tidd (2006) claim that leadership is a critical influence factor on creativity and innovation. Carmeli, Gelbard and Gefen (2010) analysed how innovation leadership affects a company to change and adapt to its outside surrounding and by implication enhance its performance. In Carmeli, Gelbard and Gefen (2010) the significance of innovation leadership is emphasized as it helps to create innovative work environment by supporting and encouraging individuals, maintaining a strong sense of task orientation and by giving emphasis to trust and group relationships. The significance of Carmeli, Gelbard and Gefen's (2010) findings is that strategic fit is positively related to innovation leadership. It is found that innovation leadership importantly improves the organisation's performance.

Another study by Makri, Terri and Scandura (2010) is one of the few studies to investigate the effect of leadership on organisational innovation. Two leadership dimensions are created by Makri, Terri and Scandura (2010) and demonstrated that these dimensions are innovation novelty, quality and quantity's influential predictors. Makri, Terri and Scandura's (2010) study results provided support for operational and creative leadership, however their results do not affect innovation productivity independently, but mutually. Also, the findings proposed that for enhancing innovation quality and originality creative leadership is the most significant, while both kinds of leadership affect innovation positively.

2.5 The role of leadership in creativity and organisational innovation

Competitiveness of the business environment and increasing complexity of work processes caused the development of current organisational challenges (Dess and Picken, 2000). In addition to above discussion Jung, Chow and Wu's (2003) identification of the creativity determinants as individual, group/team and organisational level supports the above arguments. Several different ways are highlighted to influence the individual level creativity determinant, employee creativity and organisational innovation (Jung, Chow and Wu, 2003) To start with; leaders determine the contexts of employee interaction with problem, solution and goal identification (Amabile, 1998; Redmond *et al.,* 1993).

More effectively, Joseph and Dai (2009) explains organisational leaders as a key source of influence on organisational culture. Leaders can significantly increase organisational creativity. Yukl (2013) asserted that organisational creativity is likely to boost by creating and sustaining an organisational climate and culture that nurtures creative efforts and facilitates diffusion of learning. Jung (2001) and Mumford and Gustafson, (1988) claimed that leaders can take into consideration the developing and maintaining a system in which creative performance is valued and rewarded through compensation and other human resource-related policies. If the intrinsic and extrinsic rewards are provided by the organisations, employees' desire to engage in creative endeavours will be perpetually supported. Hence, it is possible to identify creative work approaches. Carneiro (2008) argued that for organisational excellence and sustainability leaders's innovative approach

is significant to develop business strategy by turning their innovative concepts into reality.

Shalley and Gilson (2004) claim that individuals need to actively involve in the innovation process, because in today's organisations many accomplishments include cooperation between many creative individuals to share their distinctive skills, expertise, knowledge and perspectives. Cooperation can enable the individuals to deal with various challenges that are not possible to deal individually. Therefore, along with individual creativity team creativity are mostly mentioned together (Hargadon and Beckhy, 2006; Sawyer, 2006).

2.5.1 Transformational Leadership

Transformational leadership is a style theory of leadership (Oke, Munshi, and Walumba, 2009). Transformational leaders expand and enhance followers' targets and ensure them with confidence to exhibit a performance beyond expectations in the exchange agreement (Dvir *et al.,* 2002). Transformational leadership is related to innovation by researchers in the study of teams and individuals (e.g., Eisenbeiss, van Knippenberg, and Boerner, 2008; Jung, 2001; Rank *et al.,* 2009) and of organisations (e.g., Aragón-Correra, García-Morales, and Cordón-Pozo, 2007; Gumusluoglu and Ilsev, 2009; Jansen, Vera, and Crossan, 2009).

According to the evidence above, it can be argued that there is some disagreement about whether transformational leadership is similar to charismatic leadership (e.g. den Hartog *et al*., 1999; Shamir, House and Arthur *et al.,* 1993) or it enhances individual, team and organisational

creativity. The first view of transformational leadership is that of charismatic leader, in which case this means that by using the Abominable Snowman idea (Bennis and Nanus, 1985), followers just follow that person's actions and requests. The other view of transformational leadership is related to three levels of creativity and leads to innovation but in a different way. It is structured way of innovation as opposed to being inspirational and inspired. It can be argued that, transformational leader effect creativity more than a charismatic leader because creativity is used as a conscious device for organisational leadership in the achievement of adaptability (Mishra and Singh, 2010). Transformational leader behaviour is more likely to help adaptability.

The study conducted by Gumusluoglu and Ilsev (2009) emphasized that the effect of transformational leadership cannot be underestimated both in terms of organisational and individual level. The findings of Gumusluoglu and Ilsev (2009) that are also emphasized by Gumusluoglu and Ilsev (2009) highlight the importance of individual and organisational level creativity. At the individual level, there is positive relation between follower's creativity and transformational leadership. Additionally, finding of Gumusluoglu and Ilsev (2009) which claims a positive relation between individual creativity of followers and transformational leadership is supported by the Shin and Zhou (2003)'s findings. As a result of test of mediation intrinsic motivation has not been found as an important mediator of the creativity and transformational leadership relation. Although, intrinsically motivated people are more eager in their jobs, there might me other influences that result in ineffective relation of intrinsic motivation, transformational leadership and creativity.

2.5.2 Transactional Leadership

Another leadership theory that is related to organisational innovation is transactional leadership, because a transactional style symbolises the cooperation between the leaders and followers.

> “Decision-making takes place in a stable and certain framework where bureaucratic authority, formal rules, regulation, procedures and legitimate power are all visible and regularly exercised. The basis for guiding work is exchange, such as work done for money, security or other rewards but also effort, responsibility, honesty and fairness “(Isaksen and Tidd, 2006).

On the other hand, transformational leadership does not consider physical rewards but the focus is on motivation, as it will be discussed in the next section. Isaksen and Tidd (2006) highlighted that in transformational leadership style leaders and followers motivate each other. Also, transformational leaders deal with changes in the organisation, which include change of values, mission, vision, and organisational forms (Isaksen and Tidd, 2006)

In the study done by Keller (1992) the argument was transactional leadership to coordinate and allocate duties is more suitable for developmental projects that use existing knowledge in production of incremental innovation. He argued that transformational leaders could lead research projects that need importation and originality of technical information to produce radical innovation. This evidence supports that as opposed to transformational leaders, transactional leaders influence their followers through the contractual exchange of rewards and corrective actions (Avolio, Bass, and Jung, 1999). However, most argue that creativity and innovation

are related with transformational leadership competencies (Howell and Higgins, 1990; Keller, 1992).

2.5.3 Intrinsic Motivation

Intrinsic motivation and psychological empowerment are related to organisational behavior in terms of job design. The intrinsically motivated employees are motivated to come up with creative solutions, because they are really interested in the job they are doing. In that case external outcomes and rewards for the task is not important (Deci and Ryan, 1985 in Gumusluoglu and Ilsev, 2009). Amabile *et al.* (1996) claimed that one of the most significant sources of creativity is intrinsic motivation, because it enables an employee to focus on the more creatively. As previously discussed transformational leaders provide supportive supervision to their employees, which is significant for creativity and intrinsic motivation (Oldham and Cummings, 1996).

2.6 Leadership theories and organisational innovation

Leadership is one of the most theorized disciplines by practitioners, authors and researchers. Human trait theories have focused on the characteristics of successful leaders such as great man theory, which asserts remarkable leaders are simply born to be great. Alternative theories of leadership—23 contingency theories—focus on situational characteristics rather than personal characteristics (Marturano and Gosling, 2008). According to Rosing, Frese and Bausch *et al.* (2011) other leadership styles and leader behaviors are infrequently analysed in connection with innovation. However, Bass (1985) highlights that the majority of the contemporary leadership

literature on innovation refers to the transactional and transformational leadership theories as it is discussed previously.

In the study conducted by Howell and Avolio (1993) the level of support for innovation moderated the causal relation between the unit performance and the transformational leadership behaviors. Former research on transformational leadership theory (Bass, 1985) has generally focused on comparison of transactional and transformational leadership on effectiveness, individual performance and satisfaction (Bass and Avolio, 1990, 1992). However, Howell and Avolio (1993)'s research analysed the relation between transformational leadership behaviour and support for innovation. Result of their research indicates that support for innovation moderated the relation between consolidated unit performance and transformational leadership.

However, performance has been positively affected by leaders' charisma notwithstanding level of support for innovation. The previous study on transformational leadership has not made this link. In that case, Bass (1985)'s hypothesis is compatible with findings of Howell and Avalio (1993), as they demonstrated that the performance of transformational leaders is better in innovative environments as depicted by followers.

Another study by Chen *et al*. (2012) examined the strategic business unit (SBU) level transformational leadership, technological innovation, incentive compensation and innovative culture's moderating effects. Supporting former researches by Gumusluoglu and Ilsev (2009), and Jung, Chow and Wu, (2003, 2008), Chen *et al*.'s (2012) study improved the transformational leadership research, and an important positive influence on technological innovation at the SBU level has found. As SBU is the part of an

organisation, the findings of Chen *et al*.'s (2012) study demonstrate that different departments of the organisations should be investigated to better understand the relation of transformational leadership and creativity.

2.7 The relationship between organisational performance and innovation

Innovation is claimed to improve organisational performance, because it captures the newness of an idea (Camisón- Zornoza *et al.*, 2004)**.** Bowen, Rostami and Steel (2010) meta-analytically tested both temporal sequences of causal relations of organisational performance and innovation. The findings recommended that one temporal sequence (e.g. future performance and innovation) have been hypothesized by many empirical studies. On the other hand, the used data depends on the opposite temporal sequence (e.g. past performance and innovation). The findings proposed that overall organisational performance and innovation are indeed correlated positively. Gunday *et al.'s* (2011) study adds to Bowen, Rostami and Steel (2010) study by claiming positive effects of innovation on firm performances in manufacturing industries. Managerial implication of Gunday *et al.* (2011) study is that managers should put supplementary emphasis on innovation, because innovation is significant for sustainable competitive power achievement. Rosenbusch, Brincman and Bausch (2011) conducted a meta-analysis by synthesizing empirical findings to acquire evidence to understand how resource-scarce smaller firms get advantage from innovation. The findings of the study demonstrated that performance and innovation relationship is dependent on the context.

The relationship between performance and innovation has been examined in the literature, and positive relationship has been asserted among performance, innovation and organisational learning. Nevertheless, not many empirical studies analysed these relationships together. Jeminez-Jeminez and Sanz-Valle's (2011) research contributed to literature by analysing the likely moderating effect of firm size, age, industry and environmental turbulence on the relationships between organisational learning, innovation and performance. As a result it is found that there is positive contribution to business performance by innovation and organisational learning, and innovation is affected by organisational learning. The findings of their research suggested that these relationships stays important and positive regardless of the level of the moderators but the intensity of these relationships changes.

As a result of investigation of the different researches (Jeminez-Jeminez and Sanz-Valle, 2011; Rosenbusch, Brincman and Bausch, 2011; Gunday *et al.,* 2011; Bowen, Rostami and Steel, 2010) that are conducted about the relationship of organisational performance and innovation, interaction have been demonstrated.

2.8 Summary

The literature on innovation these days are growing by the realmful. The pages of magazines like Business Week and the Harvard Business Review are full of stories about how cutting-edge companies are experimenting with new innovative products and processes. But for the entire buzz, there are actually far fewer resources that look deeply at the subject to help us understand what innovation actually is, and how it can be supported in

a systematic way within an organisation. This study will therefore seek to address the following research questions in relation to the subject of leadership and innovation in organisations.

- **Research Question 1**: What kind of leadership is required to support a successful knowledge organisational innovation?
- **Research Question 2**: How do different leadership styles affect the individual, team/group and organisational level innovation?
- **Research Question 3**: What is the impact of leaders' intrinsic motivation on the success of innovative companies?

CHAPTER 3

METHODOLOGY

3.1 Introduction

This chapter describes and discusses the methods used in this investigation. This research has been conducted from an essentialist/realist approach. With this approach it is possible to theorize experience, meaning and motivations straightforwardly. There is assumption of a clear, widely unidirectional connection between meaning and experience and language (language reflects and enables us to articulate meaning and experience) (Potter and Wetherell, 1987; Widdicombe and Wooffitt, 1995; in Braun and Clarke, 2006). The aim of this chapter is to show how this research is designed and implemented. Firstly, the research strategy relative to research paradigm followed will be discussed. Then, the methods employed will be discussed about their suitability to the research questions.

3.2 Research Strategy

Although, according to Pearson *et al.* (2011) the effectiveness of possible research strategy constituents for qualitative research is ambiguous. This study is conducted through a wide, in-depth, and structured analysis of 20 articles published between 2009 and 2014. The broad topic area is innovation and leadership, and specific research keywords are discussed below.

Tranfield, Denyer and Smart (2003) highlight the basic research aim for an individual academic and practitioner communities in any field of study is to provide the best evidence for practice and inform policy by undertaking a review of the literature. Since 1980s the British central government focused attention on the evidence-based approach. “three E” attempts are economy, effectiveness and efficiency. In this context Davies, Nutley and Smith (2000) proposed effectiveness as concerned with validity and appropriateness of methods used. Hence, a fundamental tool in developing evidence-based study is a SLR. Also, it is distinguished from traditional narrative reviews by adopting a transparent, replicable and scientific process (Cook, Mulrow and Haynes, 1997). Even though, SLR is mostly associated with meta-analysis, this study is using thematic analysis method as detailed by Braun and Clarke (2006) in combination with three-stage methodology of Tranfield, Denyer and Smart (2003). So that, it is possible to accomplish overall trustworthiness that is non-existent in any single study individually. Mulrow (1994) highlights the importance of doing a SLR, by highlighting that, SLR is now assumed as an essential scientific action.

All in all, Denyer and Neely (2004) assert that in the management literature the concept of SLR has recently gained importance. Therefore, the methodology of this research is the methodology detailed by Tranfield, Denyer and Smart (2003) and Braun and Clarke (2006). However, this methodology has challenges as others do. Some of the challenges are difficulty of data synthesis from various disciplines, a large amount of material to review, and inadequate representation of books (Pittaway *et al.,* 2004). In order to reduce identified challenges SLR is conducted in combination with thematic analysis.

3.3 Data Collection

There are different ways of collecting data. These are using the knowledge of existing literature to choose articles, employing a panel of experts to define relevant papers and using keywords to search variety of databases. In this study, the data is collected by searching “organisational change AND leadership competencies AND innovative culture AND leader’s intrinsic motivation AND innovative company OR leadership theories and organisational innovation ” to choose the related articles to analyse by using thematic analysis that will be explained in the following sections. As this dissertation is written as partial fulfilment of MSc International Management, and also due to time constraint relevant papers researched individually instead of employing a panel of experts.

3.4 Secondary Data

Secondary data is defined as narrations or claims made on other data by other researchers, while primary data is explained as a data generated by researcher or a research participant. Hence, primary data is first hand and involves researcher’s reflection and practices related to it (Gibson and Brown, 2009). On some occasions, secondary data can be used as primary data. Gibson and Brown (2009) asserted that secondary data could be a good source for a researcher to conduct a secondary analysis. Moreover, Rapley (2007) divides possible sources of data in two categories, which are researcher generated (primary data) and already existing data (secondary data). Although, it presumes that researcher is more ‘active’ in the first category and fairly ‘passive’ or ‘neutral’ in the second one. In both instances, the researcher has to actually discover it, physically collect it, and make

decisions, about what materials should be gathered and what materials will be ignored.

3.5 Data Analysis

Normally, the review process consists of three parts, which are data collection, data analysis and synthesis. Crossan and Apaydin (2010) highlighted that the scientific rigor in conducting each of these steps is essential for a quality review. After the selection of articles for review, and depending on the objectives of the review, data analysis may continue in various ways. Such as, a review with the purpose of consolidating the results of multiple empirical studies may depend on either qualitative or quantitative studies (Crossan and Apaydin, 2010). The first stage of this research was reviewing the relevant secondary data for analysis, and the second stage was thematically analysing the systematically reviewed articles. The next section discusses the details of the secondary data interpretation, which is done according to thematic analysis.

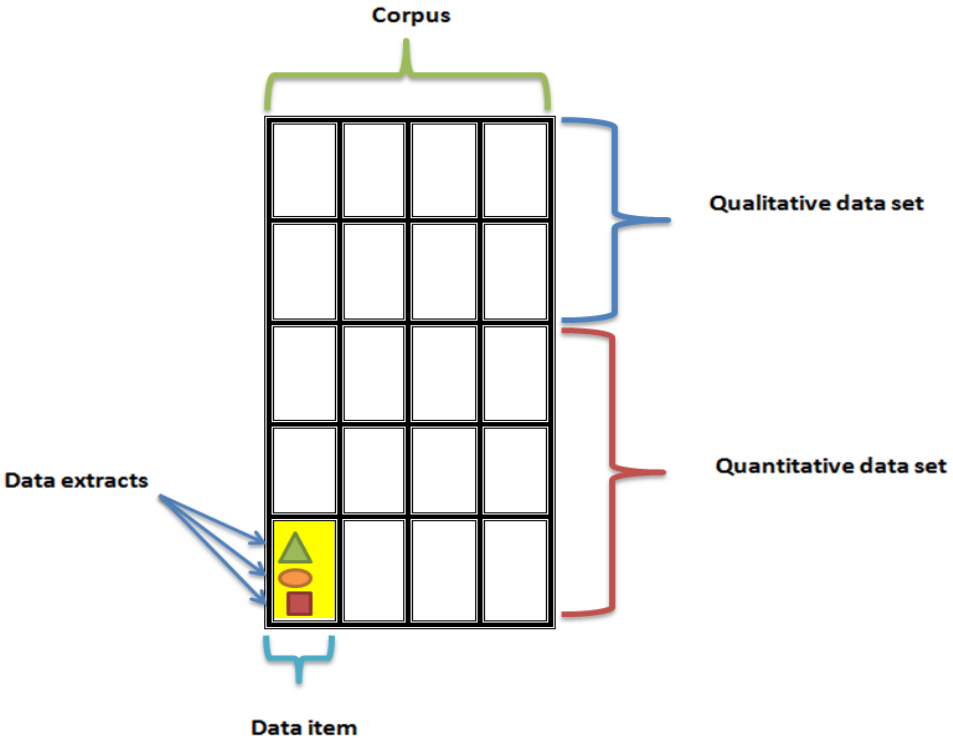
3.5.1Thematic Analysis

Bryman and Bell (2007) claimed that one of the commonest approaches to qualitative data analysis is undertaking a search for themes in transcripts or field notes. Marshall and Rossman (2006) refer to themes as central characteristic of a qualitative analysis. The expression “thematic analysis” is mentioned in Gibson and Brown (2009) as the procedure of data analysis according to relationships, commonalities and differences across a data set**.** Some of the most effective qualitative analysis texts deal with thematic analysis, significantly. Essentially, Miles and Huberman’s (1994; in

Gibson and Brown; 2009) 'cross case' analysis includes a definition of theme coding and analysis across cases of data.

Thematic analysis is a poorly distinguished, widely used but, seldom approved qualitative data analysis method (Braun and Clarke, 2006). Thematic analysis is defined as based on a hierarchical taxonomy in which all collected data in a research study can be termed as *corpus,* a body of data (Whittaker, 2011). Therefore, in this study the *corpus* is twenty articles about innovation and leadership. This corpus is further split into two data *sets.* Within first set there are eight items, and in the second set there are twelve data items, which are the journal articles. The colourful triangle, circle and square represent the different themes found in the corpus.

Figure 5: The relationships between elements of my thematic analysis



(Source: Whittaker, 2011)

3.5.1.1 Critiques of Thematic Analysis

Significantly, although there are some guidelines how to conduct a thematic analysis, there is no text that will be able to provide a good definition of why or how such themes could be created in the first place (Gibson and Brown; 2009). Henn *et al.* (2006; in Gibson and Brown; 2009) highlighted that in the coding process, there are only guidelines, but no rules. Van Manen (1998; in Gibson and Brown; 2009) highlights the phenomenological discussion of the thematic analysis concept and demonstrates that from the phenomenological perspective, themes can be viewed as an unsuccessful alternative for the lived practices that they mention. A 'theme' is a decontextualized and generalized classification of contextually specific aspects of social life that become treated as 'of a generalized type' in order to compare them with other instances of data that are labelled in the same way.

To give an example, a researcher who conducts interviews with 20 different doctors on their experiences of administering treatment to physically abusive patients may produce answers that are thematically similar on topics such as ' reasons for abuse', ' responses to abuse ' and so on. However, in using these categories the researcher invariably brackets out the details of experiences to which those accounts relate. Critically, creation of a generalized 'set' of data might lose focus on the individualities of the examined cases. Therefore, the result of this process can impoverish the view of complex lived features of social life as the categories can potentially hide rather than reveal. However, this phenomenological observation does not indicate that the results are priceless. In many aspects analysis provides story telling and as many novelist affirm, themes are beneficial tools for narrative

construction. Van Manen describes a theme as '…like knots in the webs of our knowledge, around which certain lived experiences are spun' (1998: 90 as in Gibson and Brown; 2009). In that case, a theme links diverse experience or ideas together and a way of juxtaposing and interrelating different examples and features of data are provided. The themes do re-present and recontextualize the data to which they relate, but this can be of value in creating new readings and renderings of that data.

3.5.1.2 Theoretical Thematic Analysis

Braun and Clarke (2006) highlight that the researchers' analytical or theoretical interest in the area guides them to conduct a theoretical thematic analysis. In this form of thematic analysis less a rich description of the overall data is provided, and some aspect is analysed in more detail. Following Braun and Clarke's (2006) theoretical thematic analysis methodology, in this research it was not possible to analyse every theme in detail. Therefore, most prevalent themes that are related to research questions have been analysed.

Furthermore, the data coding should be specifically done either inductively or theoretically. Coding the data for a quite specific research question is theoretical approach, while development of the research question through the coding process is inductive approach. With a theoretical approach, the researcher may well be interested in the way innovation and leadership goes through the data, and pay particular attention to that specific feature in the coding of data. This would then result in a number of themes around innovation and leadership, which may contain, speak to, or expand on

something approximating the themes of this research (Braun and Clarke, 2006).

3.5.1.3 Semantic Themes

In the thematic analysis process, level at which themes are to be identified should be decided. These are a semantic (explicit level), and a latent (interpretative level) (Boyatzis, 1998). Normally thematic analysis focuses on one level, but this research considers the both of the levels, as semantic approach deals with the explicit surface meaning of the data, and analyst is not looking beyond what has been demonstrated by the author. Normally, the analytic process progresses from description, and data has been clearly arranged to demonstrate patterns in semantic content. Than data is summarized for interpretation. By doing that there is an attempt to theorize the significance of the patterns and their broader meanings and implications in relation to former literature (Patton, 1990 in Braun and Clarke, 2006). The latent approach completes the lacking part of the semantic approach, which provides the analysis with examination of the underlying ideas, assumptions and conceptualisations (Braun and Clarke, 2006). Therefore, this research both considered semantic approach and latent approach in the analysis of data.

3.6 Data Synthesis

Data synthesis section is the main value added product of a review, because new knowledge is produced based on data collection and careful analysis. Based on the data analysis method (thematic analysis) described above is identified in the articles collected. The themes then mapped onto a

framework that consists the two sequential components.

All in all, the methodology of this dissertation is the systematic review that is described by Tranfield, Denyer and Smart (2003) in combination with Braun and Clarke's (2006) thematic analysis.

3.7 Methodology Description

In this study three-stage methodology of Tranfield, Denyer and Smart (2003) has been followed. The stages are planning, execution and reporting. First, the key data source and objectives of the research were identified during the planning stage. The objective of this research was to investigate all the articles about "innovation and leadership in the organisations". The result of this search was 143 articles. Therefore, aiming to review that many articles in three months, as an individual researcher was a bit ambitious. That is why the number is limited to twenty-five articles. Merely peer-reviewed journals have been chosen for review. According to Podsakoff *et al.* (2005) peer-reviewed journals are the journals that may have the highest impact in the field and also can be seen as formalized knowledge.

The database of record was the Web of Knowledge because in social sciences it is one of the most comprehensive databases of peer-reviewed journals. Instead of using all years available in the Web of Knowledge, the search is limited to the last five years; from 2009 to 2014. Secondly, there are five steps in the execution stage. These are identification of initial selection criteria such as keywords and search terms; grouping publications; compiling a consideration set; classification and typology of the results; and lastly synthesis. In the first three steps of the process data collection and

organisation were referred, and the final two steps referred to data processing and analysis.

3.7.1 Identification of Initial Selection Criteria: keywords and Search terms

Tranfield, Denyer and Smart (2003) argued that the difference between traditional narrative review and systematic review comes from its comprehensive search. The initial search of the Web of Science database was undertaken using the basic keywords: organisational change AND leadership competencies AND innovative culture AND leader's intrinsic motivation AND innovative company OR leadership theories and organisational innovation have been searched as a topic. The timespan has been chosen as 2009-2014. The search language was auto. As a result of this search via Web of Knowledge from all databases 143 articles found. Than, databases have been limited to Web of Science ™ Core Collection in order to increase the focus. After this limitation the article number decreased to 131. Research domains have been limited to Social Sciences only and refined result was 111 articles.

Furthermore, research areas have been limited to Business Economics as this study is conducted as a partial fulfilment of Business School Master of Science in International Management. As a result 63 articles appeared. Document types are limited to articles only, because articles are academic pieces of work, whose structures are appropriate to qualitative analysis methods, particularly thematic analysis. As a result of this limitation the number of articles decreased to 57.

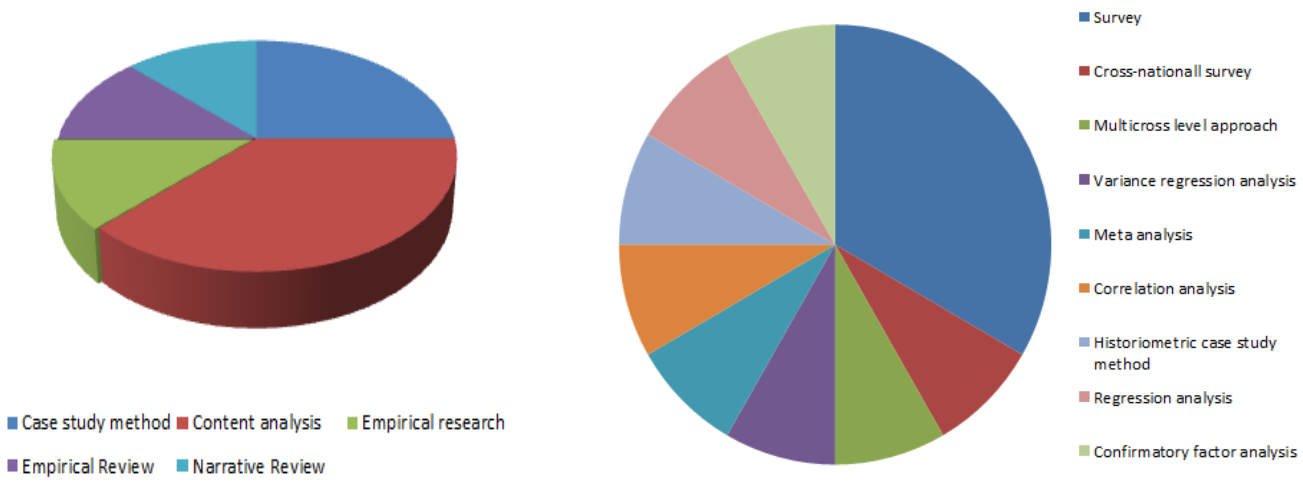
The chosen journals are; Journal of Product Innovation Management, Leadership Quarterly, Management Decision, Management and Organisation Review, Journal of Knowledge Management, Journal of International Business Studies, Journal of Business Research, Journal of Business and Psychology, Organisation Studies, Non-profit Management Leadership, Leadership, Journal of Organisational Change Management, Journal of Business Economics and Management, International Journal of Operations Production Management and Group Organisation Management.

Fifteen journals which have ‘organisation, business, management, innovation” in their titles have been chosen from Web of Science database. After this limitation the number of articles decreased to 20 articles. The language of articles has been chosen as English, but that made no difference of the number of the articles. Lastly, there was no limitation on the countries/territories.

3.7.2 Grouping Publications

In the publication grouping process, the highly cited papers were not considered as a separate group because this systematic review analyses articles published in last five years. If the citation-based papers were grouped separately, this might create disadvantage due to the timespan of this research. In order to analyse the studies deeply, grouping of the publications has done according to the methodologies used in every article. First group (Group 1) is consisted of eight qualitative studies, and second group (Group 2) is consisted of twelve quantitative studies.

Figure 6: Categorisation of Group 1 and 2 Articles, respectively



The qualitative methodologies used by articles are case study method (used by 2 articles), content analysis (used by 3 articles), empirical research, empirical review and narrative review. The quantitative methodologies used by articles are survey (used by 4 articles), cross-national survey, multi, cross-level approach, variance-regression analysis, meta-analysis, correlation analysis, historiometric case study method, time lagged and multisource data regression analysis, confirmatory factor analysis.

Figure 7: Group 1 Qualitative Studies

Group 1: Qualitative Studies					
TITLE	**AUTHORS**	**YEAR OF PUBLICATION**	**METHODOLOGY**	**KEY THEMES**	**JOURNAL ARTICLE**
Butting heads and headlines	Jan Dutkiewicz and Linda Duxbury	2013	Case Study Method-Qualitative Study	leading in clusters	Journal of Organizational Change Management
Twenty-first century leadership: international imperatives	Sheppard et al	2013	Content Analysis-Qualitative Study	creativity, innovation, entrepreneurial innovation,	Management Decision
Boards of Directors and Innovation in Non-profit Organizations	Kristina Jaskyte	2012	Content Analysis- Qualitative study	strategic management, institutional innovation, leadership,	Nonprofit Management and Leadership
Embodying who we are: Leader group prototypicality and leadership effectiveness	Daan van Knippenberg	2011	Empirical Research-Qualitative Study	innovation and creativity in organizations	The Leadership Quarterly
A silent cry for leadership: Organizing for leading (in) clusters	Sydow et al	2011	Empirical Study-Interviews	transformational leadership, employee creativity, intrinsic motivation	The Leadership Quarterly
Creativity, Innovation, and Entrepreneurship in China	Phan et al	2010	Content Analysis-Qualitative study	flexible leadership is needed for innovation, single leadership style is not effective for innovation, ambidextrous leadership, leadership innovation relationship, followers, transformational leadership	Management and Organization Review
Strategic transactions and managing the future: a Druckerian perspective	Jeffrey P. Wallman	2010	Case Study Method-Qualitative Study	knowledge management, innovation, cultural values, leadership, human resource practices	Management Decision
Innovation and Creativity in Organizations: A State-of-the-Science Review, Prospective Commentary, and Guiding Framework	Anderson et al	2014	Narrative Review	innovative activities, the role of intermediaries, outsourcing innovation	Journal of Management

Figure 8: Group 2 Quantitative Studies

Group 2: Quantitative Studies

TITLE	AUTHORS	YEAR OF PUBLICATION	METHODOLOGY	KEY THEMES	JOURNAL ARTICLE
The vision integration process: Applying Roger's diffusion of innovations theory to leader-follower communications	Kohles et al.	2013	Quantitative research- surveys	Effective change leadership, shared leadership, requirement for vision, leader should exhibit charismatic leadership	Leadership
A Workgroup Climate Perspective on the relationships Among Transformational Leadership, Workgroup Diversity, and Employee Creativity	Wang et al.	2013	Multilevel, cross-level approach	Organizational leaders, appropriate leadership competencies, core globalization issues, intrinsic motivation of the leader, followers, transactional, transformational leadership	Group and Organization Management
Matching business strategy and CIO characteristics: The impact on organizational performance	Yan Li a, Chuan-Hoo Tan	2013	Survey	shared leadership, the specific effects of board influences on organizational innovation remain unclear, importance of boards of directors	Journal of Business Research
Synthesizing seeming incompatibilities to foster knowledge creation and innovation	Jader Zelaya-Zamora and Dai Senoo	2013	Analysis of variance and Regression Analysis	intrinsic motivation, shared leadership, leadership as a process, follower's perception, personality and individual differences as determinants of leadership, leadership effectiveness, social identity theory, leadership of creativity and innovation	Journal of Knowledge Management
Explaining the heterogeneity of the leadership-innovation relationship: Ambidextrous leadership	Rosing et al	2011	Meta-Analysis-Quantitative Study	leader follower communications about vision, vision integration	The Leadership Quarterly
Organizational factors to support knowledge management and innovation	Mario Javier Donate and Fa´tima Guadamillas	2011	Survey	product innovation	Journal of Knowledge Management
The Alignment of Measures and Constructs in Organizational Research: The Case of Testing Measurement Models of Creativity	Diane M. Sullivan • Cameron M. Ford	2010	Quantitative study-Correlations	management of duality in the organizations, importance of combinatory effects	Journal of Business Psychology
The role of intermediaries in cross-industry innovation processes	Gassmann et al	2011	Survey and Analysis of six collaborative cross-industry projects 15	creativity, organizational creativity	R&D Management
Leadership of highly creative people in highly creative fields: A historiometric study of scientific leaders	Vessey et al	2014	Historiometric case-study method-Quantitative Study 17	leadership of highly creative people, organizational performance	The Leadership Quarterly
Empowering leadership, uncertainty avoidance, trust, and employee creativity: Interaction effects and a mediating mechanism	Xiaomeng Zhang and Jing Zhou	2014	Time-lagged and Multi-source data, Regression Analysis-Quantitative Study 18	employee creativity, empowering leadership, intrinsic motivation, interactional perspective of creativity	Organizational Behavior and Human Decision Processes
Does servant leadership foster creativity and innovation? A multi-level mediation study of identification and prototypicality	Yoshida et al	2013	Cross National Survey 19	servant leadership, employee creativity, team innovation	Journal of Business Research
Instrumental leadership: Measurement and extension of transformational–transactional leadership theory	John Antonakis and Robert J. House	2014	Confirmatory Factor Analysis-Quantitative study 20	instrumental leadership, transformational transactional leadership theory	The Leadership Quarterly

The methodology of this research follows Tranfield, Denyer and Smart's (2003) three-stage procedure and Braun and Clark's (2006) thematic analysis. That is why third criteria; compiling the consideration set and fourth criteria; classification and typology of the results sections are not included. Also, the fifth criterion of Tranfield, Denyer and Smart's (2003) procedure is synthesis and it is discussed in relation to Braun and Clarke's (2006) thematic analysis phases.

3.7.3 Synthesis

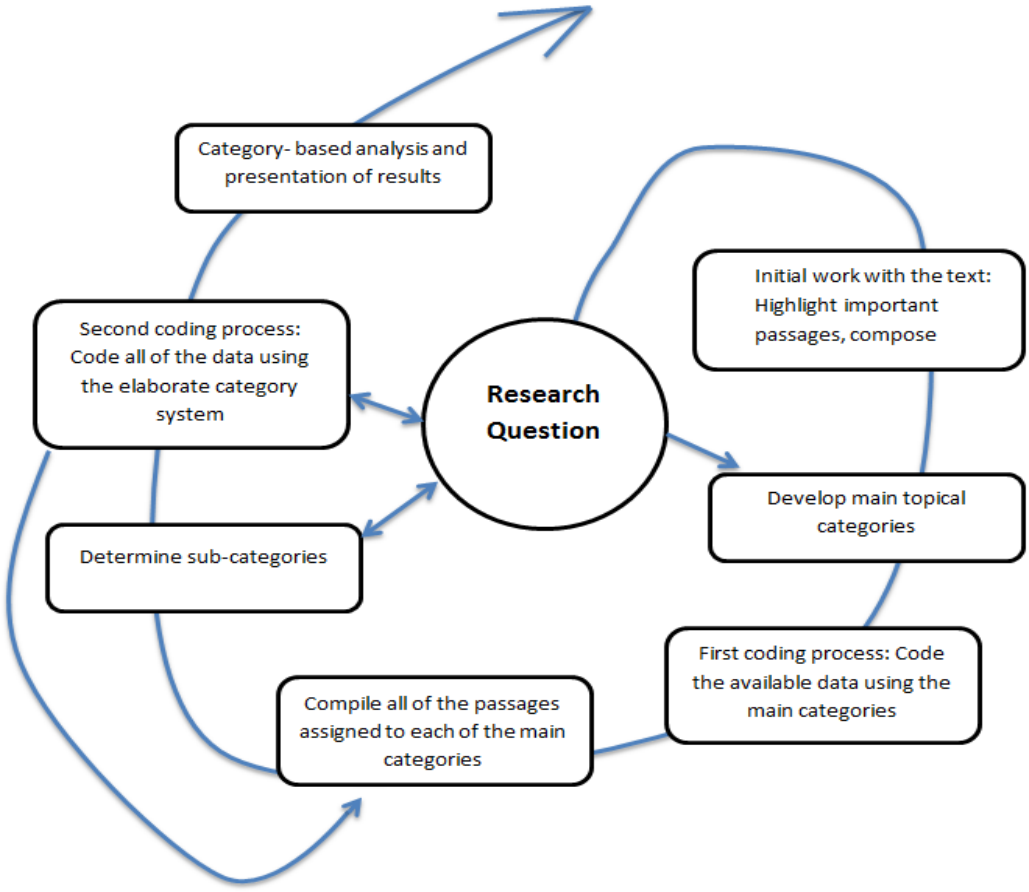
Synthesis is the fifth step of the Tranfield, Denyer and Smart's (2003) process. The data is synthesized according to thematic analysis explained by Braun and Clarke (2006). The details of the phases are demonstrated below.

Figure 9: The Phases of Thematic Analysis

Phase	*Description of the process*
1. Familiarising yourself with the data:	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.
2. Generating initial codes:	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes:	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes:	Checking in the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.
5. Defining and naming themes:	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells; generating clear definitions and names for each theme.
6. Producing the report:	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

In qualitative studies, thematic analysis phases are likely to vary and there are not strict rules for the analysis process. Process will be required to apply in a flexible way to fit the research data and questions (Patton, 1990 in Braun and Clarke, 2006). Furthermore, analysis is a recursive procedure instead of being linear. Therefore, the recursiveness of the thematic analysis process is explained by the figure below.

Figure 10: Thematic Qualitative Text Analysis Process



(Source: Kuckartz, 2014: 70)

Phase 1: familiarizing yourself with your data

20 articles that consist of the data set of this research have been read one by one. During this phase notes were taken and ideas were marked for coding process.

Phase 2: generating initial codes

The codes generated in this phase are relevant to semantic approach, because the themes are identified according to their explicit and surface meanings. The analytic method of this study starts from description of the data where the data have straightforwardly been systematized (Patton, 1990 in Braun and Clarke, 2006). The questions asked throughout the analysis and interpretation processes are; “what does this theme mean, what are the assumptions underpinning it, what are the implications of this theme, what conditions are likely to have given rise to it, why people talk about this thing in this particular way (as opposed to other ways), what is the overall story the different themes reveal about the topic” (Braun and Clarke, 2006: 94). As it is argued by Miles and Huberman (1994, in Braun and Clarke, 2006) analysis started in phase 2 with the organisation of data into meaningful groups (Tuckett, 2005 in Braun and Clarke 2006). Nevertheless, the units of analysis, which stands for themes, are different from coded data, as themes are broader. This theoretical thematic analysis is data driven; hence the themes depend on the data. The figure below illustrates the list of the main thematic categories after the second phase of the thematic analysis.

Figure 11: List of Main Thematic Categories

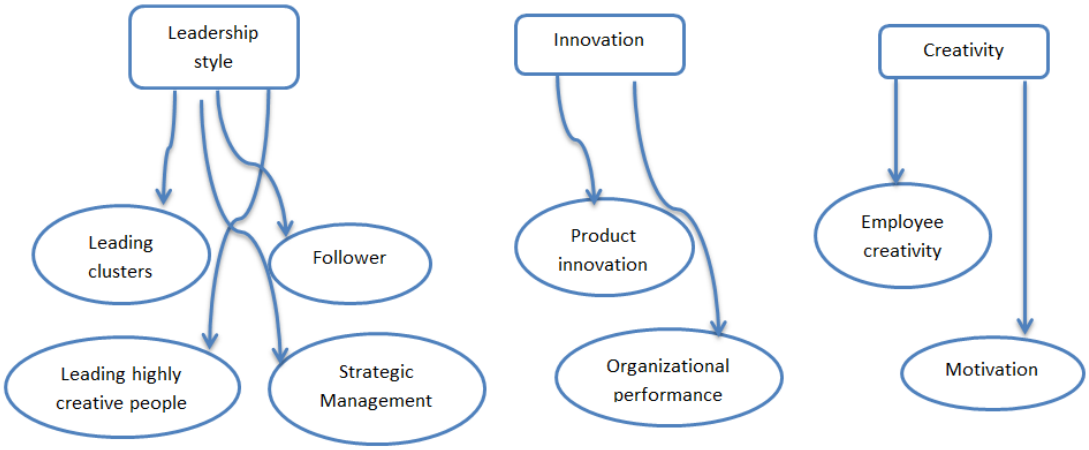
Abbreviation	Main Thematic Category
LC	Leading in Clusters
EI	Entrepreneurial Innovation
SM	Strategic Management
II	Institutional Innovation
TL	Transformational/Transformational Leadership
EC	Employee Creativity
IM	Intrinsic Motivation
FL	Flexible Leadership
AL	Ambidextrous Leadership
ECL	Effective Change Leadership
SL	Shared Leadership
IL	Instrumental Leadership
SL	Servant Leadership
TI	Team Innovation
OP	Organisational Performance
OL	Organisational Leaders
ALC	Appropriate Leadership Competencies
CGI	Core Globalization Issues
SIT	Social Identity Theory
PI	Product Innovation
LFC	Leader Follower Communications
LHCP	Leadership of Highly Creative People

(Source: Kuckartz, 2014: 73)

Phase 3: searching for themes

In this phase different codes are sorted into potential themes. It was helpful to use thematic map to sort different codes into themes. Identified codes were analysed in order to see combination of different codes to form an overarching theme. The figure below shows the thematic map the research.

Figure 12: Final thematic map, showing final two main themes



After the classification of the prevalent themes the results are discussed in detail in Chapter 5.

3.8 The Challenge of Qualitative Data Analysis in Research Practice

Since 1990s in the social sciences, the social, health, political, and educational sciences empirical research's methodological orientation has shifted. Even though qualitative research fall behind in the 1980s, it has established itself and is increasingly popular today, particularly among young scientists (Kuckartz; 2014). Kapoulas and Mitic (2012) highlighted the nature of qualitative research and its basic weaknesses and ways to overcome them. The challenges are vague standards for analysing data, presentation of large amount of qualitative data, contextually embedded findings, and theoretical criteria for judging the quality of studies.

3.9 Summary

All in all, about reliability of the qualitative research, Rapley (2007) highlighted that qualitative researchers encounter with ‘double crisis’, which are a crisis of representation and a crisis of legitimacy. The researcher’s job is to persuade others that the claims and interpretations made in the conducted study are both credible and plausible. That is to say the researcher is not just making this up from thin air or this is just your vague intuition, but that the argument is based on the materials from researcher’s archive (Rapley, 2007). Hence, collected data has been analysed considering the questions from the thematic analysis of Braun and Clarke (2006). These questions are; what does this team mean, what are the assumptions underpinning it, what are the implications of this theme, what conditions are likely to have given rise to it, why do people talk about this thing in particular way (as opposed to other ways), what is the overall story the different themes reveal about the topic (Braun and Clarke, 2006: 94).

CHAPTER 4

ISSUES AND FINDINGS

4.1 Thematic Analysis of Group 1: Qualitative Studies

4.1.1 Study 1

The study of Dutkiewicz and Duxbury (2013) evaluated the effectiveness of a set of best practice concepts for managing transformational organisational change. These concepts are applied to a specific change initiative in the media. The objective of this study is to analyse the situation of shared leadership in effective change leadership in an organisation, which is generally limited to single leaders. The implications of this theme are that the role of leadership teams has been underestimated. The definition of the term leadership team is “groups of leaders who are collectively responsible for exercising leadership of a social system” (Wageman et al. 2008). As mentioned in the literature review in the organisational change area, there is little agreement on a definition of a leadership and change. However, there seems to be an agreement on general features of change leader; some of the characteristics are spreading a sense of urgency and dissatisfaction with the status quo throughout an organisation, representing the ideals of change with their actions, and minimizations of the uncertainties that are created by change. Contrary to vertical leadership structures, the need for leadership teams has been emphasized in this study.

Shortly, there are several contributions of this study to present change leadership literature. An implication of this theme is, although media plays a

central role in the society, the emphasis is on the insufficiency of academic studies in the media sector. A second implication is scarcity of the investigation of organisational change led by multiple leaders.

4.1.2 Study 2

Within Sheppard, Sarros and Santora ’s (2013) study there is a conceptual model, which evaluates the contemporary scholarly understanding of the international imperatives, which is affecting 21st century organisational leaders. They highlight that, within a rapidly changing, globalized market place, best practice leadership models and expertise allows leaders to lead effectively.

This study is more focused on international issues that organisational leaders encounter. It is argued that collective leadership is required due to unprecedented tempo of global change (Sheppard, Sarros and Santora, 2013). The implications of this study are important to the intrinsic motivation of the leader. Also, transformational leadership is proposed as a universal model of leading that is likely to appear in many cultures, and suitable in positions of complexity and change (Sheppard, Sarros and Santora, 2013). Actually, authentic, ethical, transformational, innovative, ambidextrous leadership stands as a universal phenomenon across cultures that are effective at dealing with globalized complexity. It is demonstrated that globalized leadership competencies are central to core issues such as; global ethics, global tempo and global risk.

Overall, attempts to explore a suitable leadership approach appropriate for all international leaders has typically been lacking definition due to cultural

biases in interpretation and opposing views. In addition, these approaches often depends upon a predominantly Western, Anglo-Saxon social constructivist viewpoint, which is focused on leadership as imparted by an individual rather than leadership models as “process” (Jepson, 2009).

4.1.3 Study 3

The study of Jaskyte (2012) emphasizes that the research on the relationships between the board of directors and organisational innovation is not adequate. This article provides links between former governance and organisational innovation theories. It also analyses the possible impact of the board of directors on organisational innovation. This study argues that, leadership in the non-profit organisations is not only related to the executive director (ED) but also to the board and its chair. There are three ways in which the board of directors can effect organisational innovation by; introducing innovation, encouraging organisational innovativeness with creating climate conductive to innovation and setting goals. This study demonstrates that there is no empirical support for the board culture and innovation relationship. However, this research supports the link between organisational culture and innovation.

It can be argued that Jaskyte’s (2009) study emphasizes the significance of the shared leadership in the non-profit organisations, which is addressed in Dutkiewicz and Duxbury (2013). Leader–member exchange (LMX) theory explores the dyadic relationship between the leader and other members of the organisation. This can provide useful insights into the dynamic of this relationship and its potential to influence an organisation’s

innovation. Overall, although the influence of board on innovation is agreed, the study conducted by Jaskyte (2009) suggests that current models and theories of innovation and board variables are not examined.

4.1.4 Study 4

Knippenberg (2011) demonstrates leadership as a process that is "…enacted in the context of a shared group membership, and leadership effectiveness is contingent on followers' perceptions of the leader as a group member". The article focuses on the leader group prototypicality, with a conclusion of string empirical data for the essential propositions of the social identity theory of leadership. In the social identity analysis of leadership, current developments is studied by Knippenberg (2011). Study 4 particularly addresses individual differences and personality traits as determinants of leadership. It is argued that the teams within the organisation, for example the organisations activity in research and development (R&D), define the focus of the organisation on creativity and innovation. If the organisation sees creativity and innovation as part of its collective identity, group norms would in fact encourage its pursuit and group prototypical leadership would be well positioned to motivate creativity and innovation (Hirst et al., 2009).

The significance of the intrinsic motivation is argued in Study 4, it is seen as a significant ingredient that pursues creativity and innovation (Amabile, 1988). Leadership that is able to intrinsically motivate the pursuit of such creative outcomes is thus off to a good start, and group prototypicality may help leaders achieve this. There is more to leadership of creativity and innovation, however. The pursuit of creative and innovative outcomes is an

inherently uncertain and risky endeavour in the sense that it more or less by definition, a nonroutine activity and holds the risk of failure (Knippenberg, 2011). This contributes to people's efficacy in search of such creative goals (i.e., the belief in the capability to achieve these goals) a salient influence in the motivation to pursue creative outcomes (Tierney & Farmer, 2002). Leadership that is able to build such (creative) efficacy is more successful in motivating creativity (Shin & Zhou, 2007) and possibly innovation. Approaching this issue from a social identity perspective, Hirst et al. (2009) argued that, contingent on follower social identification, the creativity of members of R&D teams would be positively influenced by inspirational motivation, an aspect of transformational leadership that is associated with building follower efficacy.

To sum up, the findings of the Knippenberg's (2011) study suggests that group prototypicality both draws out trust in good intentions and motivations to represent group norms of the leaders and also, motivates such intentions and actions in leaders. The findings of Study 4 provide primary support for the proposition that group prototypicality places leaders to lead individuals more efficiently, in more uncertain organisations with innately higher risk of failure.

4.1.5 Study 5

The significance of Sydow *et al.*'s (2011) paper is the first to explore leadership in clusters. By doing this Sydow *et al*.'s (2011) study responded to a recent call for leadership research in more macro contexts. Sydow *et al.'s* (2011) research was conducted in England, Scotland, Germany and the

United States. The originality of Sydow's (2011) article comes from its filling the dual gap in the leadership literature and networks/clusters research. The contradiction of regional innovation systems like clusters is addressed in this article. The contradiction is clusters usually require some type of leadership but that neither organisational nor individual actors wish to be led. Overall, discussion of this article is mainly about the idea of leading as reflexive structuration. This has universal implications for the leadership research in both macro contexts and more traditional contexts.

4.1.6 Study 6

Pahn, Zhou and Abrahamsan's (2010) research identifies different contexts related to innovative entrepreneurship in the context of the Chinese private economy. This content analysis is based on four studies that are about innovation and social contexts of creativity. The findings of Pahn, Zhou and Abrahamsan (2010) propose counterintuitive perspectives on received theory when applied to new phenomena. The systems, organisational and social contexts are discussed in the article. Overall, although three broad contexts to the phenomenon of entrepreneurship in China are taken into consideration, current research can be organized in a different way. There is an extreme rapid rate of change in entrepreneurial innovation in the Chinese context. Hence, this creates a contributing requirement for optimally, timely and relevant scientific business theory and research.

4.1.7 Study 7

Wallman's (2010) research about strategic transactions and managing

the future presents an interesting perspective about the relation of society and organisational leadership. This is the first paper that utilizes an institutional framework for strategy analysis based on P. Drucker's work and identifies the significance of organised institutions and institutionalization in society. The objective of this paper was to depict the innovations in transaction institutions and their relation to strategic transactions. The findings of this study emphasizes that, management must understand how institutional innovations can be used to create a leadership position in the future. Also, from Drucker's work it can be understood that an organisation needs to think carefully before it start an innovative activity.

Overall, the most significant message of Drucker for managing the future is that; organisations must recognize the "common good" to survive, in this case organisational leaders must work for the community. The statement below addresses how organisational leadership is related to society; "…organisational results in terms of profit, productivity and satisfaction are a function of how well the organisation serves society, creating numerous of implications for organisational leadership." (Wallman, 2010:497).

4.1.8 Study 8

The narrative review conducted by Anderson, De Dreu and Nijstad (2014) reviewed the fast growing research in the creativity and innovation industry. They proposed a new integrative definition to innovation and creativity.

> "Creativity and innovation at work are the process, outcomes, and products of attempts to develop and introduce new and improved ways of doing things. The creativity stage of this process refers to idea

generation, and innovation refers to the subsequent stage of implementing ideas toward better procedures, practices, or products. Creativity and innovation can occur at the level of the individual, work team, organisation, or at more than one of these levels combined but will invariably result in identifiable benefits at one or more of these levels of analysis"(Anderson, De Dreu and Zhou, 2014: p.1298).

Their study aimed to present a constructively critical and comprehensive review of the developing creativity and innovation literature. Overall, it is concluded that the creativity research has generally investigated the idea generation stage, while innovation studies mostly included the idea implementation.

4.2. Thematic Analysis of Group 2: Quantitative Studies

4.2.1 Study 9

Kohles, Bligh and Carsten's (2013) findings propose that it is possible to conceptualise a new vision as an innovation. In this process employees (followers) will be actively involved in management decisions of adoption and rejection. This more balanced approach to vision integration is advocated by Kohles, Bligh and Carsten (2014), and their approach emphasizes both leader and follower roles. Although followers are rarely mentioned in the visioning process, Kohles, Bligh and Carsten (2013) emphasizes that both followers' and leaders' perception is important in the diffusion of vision.

"In this paper, we explore employees' perceptions of the bidirectional leader–follower processes that may facilitate or hinder vision

integration over time among organisational members, recognizing there are both planned and spontaneous channels in which ideas are communicated and diffused throughout an organisation." (Kohles, Bligh and Carsten, 2013, p.468).

Roger's (in Kohles, Bligh and Carsten, 2013) diffusion of innovation theory has been applied to the management domain for the first time in Study 9. Additionally, Kohles, Bligh and Carsten's (2013) research is one of the first studies to investigate the vision from the followers' perspective. This study proves that followers' knowledge and perception of a new vision's characteristics at all levels within an organisation are significant.

4.2.2 Study 10

Wang *et al.*'s (2013) research emphasized the inconsistent results of the previous studies about effects of workgroup diversity and workgroup functioning. Therefore, they proposed a model considering influence of transformational leadership and workgroup climate. In applying this to one workgroup on outcome highlighted, particularly relevant to diversity is employee creativity. The findings of Wang *et al.* (2013) suggest, "Innovation workgroup climate level mediated the relationship between transformational leadership and employee creativity" (p. 352). The results of this study imply that when transformational leadership is high, diverse groups have higher innovation capabilities and this saw strengthens employee creativity.

Shortly, it can be argued that transformational leadership may reduce the negative effects affiliated with workgroup diversity. The study claims that managers who exhibit transformational leadership behaviors result in higher

workplace innovation, which extends to benefit employee creativity. Considering the influences of innovation on the climate level, Wang *et al.'s* (2013) research results highlights that transformational leadership has not got any incremental effects on creativity.

4.2.3 Study 11

Li and Tan (2013) based their study on three demographic characteristics of age, tenure and education level. Further, they highlight the harmony between chief information officer (CIO) characteristics and the business strategy of the organisation. This study primarily measures CIO honesty as orderliness, reliability, and prudence instead of emphasizing the individual's self-motivation, desire to accomplish, and capability. Also, they investigate how this harmony affects the business performance of the organisation. I think by mentioning CIO characteristics leadership style of the individual is emphasized. Similarly, Wang *et al.* (2013) focused on demographic characteristics.

In summary, the study results demonstrated that deliberate, organized, self-disciplined CIOs are high in honesty and prefer to work in a structured style. Hence, within organisations these CIOs might find flexible approaches difficult to adopt. Particularly, according to study results, younger CIOs can better fit with prospective organisations, which maintains a reputation as an innovator. The quantified findings of this research therefore, might empower top executives to better recruit CIOs.

4.2.4 Study 12

Zelaya-Zamora and Senoo's (2012) research objective is to investigate inharmonious combination of organisations' variables and a possible positive effect on innovation through knowledge creation. The data is collected from research and development organisations in Japan. This study's originality comes from its unique framework and a perspective, which highlights the significance of combinatory effects and of the management in organisations.

To summarise, three dominant interrelated ideas were found by this study. Firstly, managerial positions and resources are likely to create influence on the knowledge creation ability of organisations. Accordingly, this is positively related to their innovation performance. Zelaya-Zamora and Senoo's (2012) research on long-term managerial influences in particular, found greater impact on knowledge creation when linked with knowledge-exploitation resources. This is effective when combined with exploitation resources, rather than with exploration resources.

Finally, Zelaya-Zamora and Senoo's (2012) found that organisational variables are incompatible. Thus, organisational innovation and knowledge creation can be promoted. However, the effect of special interaction is merely significant for small and medium organisations, not for large ones. Supporting Zelaya-Zamora and Senoo's (2012) findings, other studies found that small and medium organisations tend to be more innovative because they have more favourable conditions in terms of internal flexibility, communication, and management structures.

4.2.5 Study 13

Rosing, Frese and Bausch (2011) highlight the complex and inconsistent picture of the relationship between leadership and innovation. Contemporary research has generally neglected the complex nature of innovation processes that leads to changing necessities within these processes. The principal necessities of innovation are exploration and exploitation, and flexibility to switch between those two activities. Rosing, Frese and Bausch (2011) suggested a theory of leadership for innovation, ambidexterity theory of which utilizes opening and closing leader behaviours and switches between them to deal with the ever-changing requirements of the innovation process. Rosing, Frese and Bausch (2011) argues that a single leadership style is not effective for innovation, thus leadership needs to match complexity and the pace of innovation.

In short, different leadership behaviours such as transformational leadership and initiating structures may be important for the innovation process. One of the first themes that appear as a result of this study is that the same result of innovation can be led through different pathways (Bledow *et al*., 2009). Secondly a wide range of probable consequences may have appeared depending on moderator variables. Even though, leadership and innovation processes have been studied frequently, the results do not lead to a single conclusion. Hence, Rosing, Frese and Bausch (2011) propose that different leadership styles are positively related to innovation.

4.2.6 Study 14

Donate and Guadamillas's (2011) research objective is to investigate

organisational factors such as: cultural values, leadership and human resource (HR) practices and the effect on knowledge exploration, exploitation practices and innovation. Findings of this study offer comprehensive understanding of knowledge exploration and exploitation initiatives related to innovation and their interrelations with certain organisational factors. Similarly, both Zelaya-Zamora and Senoo's (2012) and Rosing, Frese and Bausch *et al.* (2011) investigated exploration and exploitation in the innovation process.

4.2.7 Study 15

In the organisational creativity research, Sullivan and Ford (2009) investigate potential measurement model misspecification, which is one of the first studies in the field. Strong results were acquired from all samples and settings. The motivation of this study was the apparent inconsistencies between construct definitions of organisational creativity. It was defined as mixture of two facets and measurement models in which organisational creativity is evaluated as a single dimension.

Overall, the one factor measurement model results, indicated creativity as a "singular common latent construct composed of reflective indicators of novelty and usefulness" (Sullivan and Ford, p. 516). The findings did not provide a good fit to creativity evaluations in any of the three examined settings.

4.2.8 Study 16

Gassmann, Daiber and Enkel (2011) examined the cross-industry innovation process and the role of intermediaries. In this case, external

institutions that support companies' innovation activities are intermediaries. Frequently, external institutions fill the bridge gaps between industries. The main research objective of Gassmann, Daiber and Enkel (2011) is to find which competencies an intermediary should have in order to achieve success in initiating a cross-industry innovation. As a result three types of innovation intermediaries have been identified. These are; the broadener, the leverage and the multiplier.

Gassmann, Daiber and Enkel (2011) claimed that the benefits and drawbacks of outsourcing knowledge-based services and innovation activities have been examined in different scientific contributions. However, in current years outsourcing innovation (Howells *et al.,* 2008) and knowledge-intensive technical services (Tether and Hipp, 2002) has gained importance. It can be critically argued that organisations reliance on external specialist knowledge providers can be advantageous. As such organisations do not need to worry about leadership style of the leader or innovator. This viewpoint can lead to a change in organisational structures in the future. However, the problem with this attitude could be how well an outsider understands the needs of the organisation. For this reason, this critique of the viewpoint requires further investigation.

4.2.9 Study 17

Vessey *et al.* (2014) expanded on the literature of the effect of leadership on creativity, by examining little researched areas in the fields, which require creativity. Although, several definitions are asserted about positive effects of leadership on creativity, many of these studies claim different, and generally contradictory, methods for leaders to accomplish

positive effects on creativity within their organisations. Therefore the purpose of this study is to investigate two existent leadership theories, concerning their viability as models, to explain creative performance of famous scientists. Famous scientists stand for “a population of leaders of highly creative individuals in a field that values the production of innovative ideas and products as a marker of performance” (Vessey *et al.,* 672).

Overall, Vessey *et al.*’s (2014) study has several significant implications for leading well-respected individuals in highly creative projects. These can be identified as technical influence, relationship between leaders and performance, which may be demonstrated as a two-way relationship. A model is likely to help the explanation of the positive effects of leadership on creativity in a highly creative population but is dependant on strategic planning and product championing. This model is demonstrated by the results of this research and can be found in Vessey *et al.* (2014). They would anticipate that “influence on professional standards in field and organisations might result from recognizing which products are most creative and should be a point of focus” (Vessey *et al*. 2014 p.685).

4.2.10 Study 18

Zhang and Zhou’s (2014) study contributes to the creativity literature in several different ways due to their interactional approach. Hypotheses of the research examine the complicated influence of creativity and the interaction between empowering leadership, uncertainty avoidance, and trust.

One particular finding of the study highlights that empowering leadership had the strongest positive relationship with creativity, when

uncertainty avoidance and trust were both high. As it is previously theorized by the creativity literature intrinsic motivation is the psychological mechanism for creativity (Amabile, 1996). However, mixed results have been found by the empirical studies that test this concept. That issue prompted commentators to call for research on alternative or additional mediators (e.g., Shalley, Zhou and Oldham, 2004).

4.2.11 Study 19

The results of the Yoshida *et al.*'s (2014) study contribute to growing but broadly unconnected body of research (e.g. Farmer, Tierney, & Kung-McIntyre, 2003; Hirst *et al.,* 2009; Zhang & Bartol, 2010). In their study, Yoshida *et al.* (2014) investigated the influence of servant leadership on employee creativity and team innovation. Also, psychological processes that help leaders to achieve these outcomes have been demonstrated by this research. Findings of this research claim that with robust support for innovation, servant leadership provokes followers' relational identification. This situation therefore provokes employee creativity, but not necessarily impacts team innovation. Additionally, this study proposes that there is significant creativity and innovative resources in relation to the way employees identify themselves with their leaders.

All in all, servant leadership approach is indicated to have relevance in promoting creativity both in Europe-American cultures (Neubert *et al.,* 2008), but also in Asian societies.

4.2.12 Study 20

According to Antonakis and House (2014) leaders must scan the internal and external environment, chart strategic and task objectives, and provide performance feedback (p. 748). These instrumental leadership (IL) functions go beyond the motivational and quid-pro quo leader behaviours that comprise the transformational, transactional, and laissez faire leadership model. The evidence for a four-factor IL model that was highly prototypical of good leadership is found. IL predicted top-level leader emergence, controlling for the full-range factors of; initiating structure, and consideration. It also explained a unique variance in outcomes beyond the full-range factors. The effects of transformational leadership were vastly overstated when IL was omitted from the model. The importance of a "fuller full-range" leadership theory for practice was discussed (Antonakis and House, 2014).

The results of Antonakis and House's (2014) study have important theoretical and practical considerations. In particular, IL; or similar conceptualizations of leadership should be considered in a "fuller" full-range leadership theory. Findings show that IL nicely complements transformational and transactional leadership and that IL should take up its rightful place in the nomological network of leadership constructs. Lastly, the evidence of this study suggests that the full range leadership theory should be made a little bit "fuller" (Antonakis and House 2014).

CHAPTER 5

DISCUSSION

5.1 Introduction

The aim of this chapter is to discuss the findings of the study, which was conducted using a combination of methods, the thematic analysis method as detailed by Braun and Clarke (2006) and three-stage methodology of Tranfield, Denyer and Smart (2003). The thematic analysis was based on 20 published articles between the period of 2009 and 2014. The prevalent themes identified in these articles are creativity and innovation in organisations, different kinds of innovation; different leadership styles, individual creativity, team innovation and intrinsic motivation and leader follower relationships.

5.2 Creativity and Innovation in Organisations

One of the focuses of this study was to investigate the role of leader's creativity and innovation in successful organisational change. Although, discussing creativity and innovation is challenging due to multiple definitions and approaches (Basadur, 2004; Csikszentmihalyi, 1999; Rank, Pace, and Frese, 2004) the literature review of this research agrees with the creativity as a conscious device for the for organisational leadership in the achievement of adaptability (Mishra and Singh, 2010).

In addition, creativity is seen as concept creation, and innovation is seen as application of such ideas (Amabile *et al.,* 1996; Anderson, Potocnik

and Zhou, 2004; Scott and Bruce, 1994). According to the literature, even though defining creativity is difficult, there is evidence that creativity is used as a conscious device for organisational leadership in the achievement of adaptability (Mishra and Singh, 2010). In Basadur Graen and Green (1982) creativity is modeled as a process. This is further supported by; Basadur and Head (2001) because they argue that creativity as a process helps effective communication with others in creative teamwork.

Five of the analysed studies discussed creativity and innovation in organisations (Sheppard, Sarros and Santora, 2014; Knippenberg, 2011; Anderson, De Dreu and Nijstad, 2014; Gassmann, Daiber and Enkel, 2011; Vessey *et al.,* 2014), however these articles also discuss the different characteristics of them. Sheppard, Sarros and Santora (2013) emphasized the significance of globalisation in terms of sustainability in organisations and the need for recruiting globally innovative, “out of the box” thinkers. Similarly, Knippenberg (2011) highlighted the importance of sustainability in organisations, and he asserts that creativity and innovation are crucial for organisations to protect their competitive advantage. Anderson Potocnik and Zhou (2014) contribute to this research by providing integrative innovation and creativity definition Whilst, Gassmann, Daiber and Enkel (2011) investigates the cross industry innovation process and role of intermediaries. As previously argued in the literature review of this research, Vessey *et al.*’s (2014) study draws attention to multiple models that attempt to define the link between leadership and creative performance.

It can be asserted that the topics discussed by the researchers will be dependant on the current technological and global issues. In order to have

comprehensive knowledge about the creativity and innovation in organisations, researchers should take most of the different perspectives into consideration.

5.3 Different Innovation Perspectives

The investigated data provides different innovation perspectives. Jaskyte (2012) claims that the board of directors are effective in creating innovation process within the organisation. Similarly, Wallman (2010) emphasizes the significance of management understanding organisational innovation for successful, future leadership. On the other hand, Li and Tan (2013) focus on product innovation as a strategic choice for organisations. In addition, Yoshida *et al.* (2014) highlight the importance of team creativity. Moreover, to the three levels of innovation, which were identified within the literature review as; individual, team/group innovation and organisational. However, Sydow *et al.* (2011) bring to an attention a fourth innovation level, which is regional innovation. This innovation perspective is suitable for more traditional contexts. Probably, regional innovation may be considered as a fourth level, which may have interesting effects, particularly in multinational organisations, which have plants in many different regions.

The literature of this dissertation identifies the OECD (2005) definition of innovation, however, Anderson, Potocnik and Zhou (2014) suggested integrative definition for it, which in a way combines all the five different definitions identified in the data. Additionally, in accordance with the literature review the data provides support for the team and organisational level of innovation. However the individual level innovation was not found in the

investigated data. It can be asserted that team/group level and organisational level innovation is more popularly researched in current organisations. But this issue may change in the future so future investigation is required.

5.4 Different Leadership Styles

While a lot of research focuses on leadership as a relational concept, the objective of this thesis was to focus on the leadership style and behaviour in the organisational context. The investigated data, which is supported by the literature reviewed, identifies ten leadership theories in relation to creativity and organisational innovation. These are: transformational (Wang *et al.*, 2013), transactional (Wang *et al.*; Antonakis and House, 2014), instrumental (Antonakis and House, 2014), servant (Yoshida *et al.*, 2014), flexible (Pahn, Zhou and Abrahamsan, 2010), ambidextrous (Rosing, Frese and Bausch, 2011) shared (Jaskyte, 2012; Sheppard, Sarros and Santora, 2013) and effective change leadership (Dutkiewicz and Duxbury, 2013), leadership for highly creative people (Vessey *et al.,* 2014) and absence of leadership (Sydow *et al.,* 2011).

Jaskyte (2012) provides evidence for shared leadership by researching not investigated links between the board of directors and innovation. For shared leadership effectiveness on innovation; board demographics, culture and size are found to be significant. Similarly, Dutkiewicz and Duxbury (2013) identified that in existing literature, research about organisational change led by multiple leaders is limited. Also, Sheppard, Sarros and Santora (2013) demonstrate the need for collective leadership. However, Sydow *et al.* (2011) found unexpected results from the analysis of leadership in clusters. Huxham

and Vangen (2000: 1162 in Sydow *et al.,* 2011) investigated the collaborative networks, and found “very little spontaneous use of the term (leadership)” (p. 339). Four possible reasons are identified, which are complete absence of leadership as reflexive structuration, in investigated regional systems membership is only of marginal interest to an individual or an organisation; even though it can be identified potentially that, leadership in a cluster is partially invisible, or simply that cluster members do not like talking about leadership, particularly, about being led. Actually, the first two reasons of absence of leadership in clusters can be dismissed. Sydow *et al.* (2011) highlighted that leadership cannot only be identified in these systems.

Pahn, Zhou and Abrahamsan (2010) emphasize the requirement of flexible leadership for entrepreneurial innovation because there is a rapid change in the entrepreneurial innovation in China. Wallman’s (2010) study provides different points of view to leadership by relating organisational leadership to society. According to him, the successes of the organisational leaders depend on how well they satisfy the need of society.

In a way Kohles, Bligh and Carsten (2013) try to combine vision, as a significant component of the organisation with innovation. Particularly, leader’s vision is conceptualised as an innovation, but in a slightly different way. Kohles, Bligh and Carsten’s (2013) perspective of innovation is a vision that employees and managers in the organisation are likely to adopt. Moreover, Kohles, Bligh and Carsten (2013) claim that a new vision, that is a focused attempt by organisations to innovate, describes the future of organisation. Supporting the arguments in the literature review, Wang *et al.* (2013) found a positive relationship between transformational leadership and

employee creativity, and that diverse groups tend to have stronger innovation motivation when transformational leadership was high. Vessey *et al.* (2014) emphasize the challenge of leading highly creative people. Leaders in such positions have to mention the unique problem, which arises from the relationship between normal organisational functioning and creativity. Vessey *et al.* (2014) indicate that there is high risk at the creative efforts persuade by organisations; they are frequently quite costly and likely to delay natural organisational processes. Therefore, Vessey *et al.* (2014) offer an alternative perspective to innovative organisations and that whilst organisations see value in innovating; they must also maintain normal levels of production during creative efforts. This creates a conflict between an organisation's desire to innovate and the inherent risks of innovating such as high cost and disruption of normal activities. Leaders of creative people need to manage this conflict in an effort to promote creativity as well as to shield creative people from the conflict itself, as organisational concerns may disrupt their ability to be creative (Vessey *et al.,* 2014).

Yoshida *et al.* (2014) claim that there is a relationship between servant leadership and creativity. They found positive relationship between prototypicality and servant leadership. In addition, the hypothesis, which looked into the relationship between servant leadership and team innovation is mediated by prototypicality, they found the effect is strong when innovation is highly supported. Servant leadership is a holistic approach to leadership that encompasses the rational, relational, emotional, moral, and spiritual dimensions of leader follower relationships such that followers enhance and grow their competencies. In addition, leaders develop a greater sense of their

own worth as a result. Even though servant leadership as a construct shares some similarities with transformational leadership, it is qualitatively and empirically distinct. A transformational leader will excite and inspire followers to perform beyond expectations, but these behaviors are typically motivated by a preoccupation with the organisational goals rather than followers' development (Yoshida *et al.,* 2014). On the contrary, servant leaders are genuinely focused on promoting others' interest over and above those of the leader or leader-defined organisational interests, thereby promoting a sense of psychological safety, trust and fairness in the work context (Yoshida *et al.,* 2014).

Lastly, as a result of comparison of different transformational and charismatic leadership theories, Antonakis and House (2014) found that the Bass (1985) model does not include leader strategic and task-monitoring related actions. Therefore, IL takes the leader expert knowledge into consideration to ensure organisational goal attainment (Antonakis and House, 2014).

After the discussion of various leadership theories in relation to creativity and innovation, it can be assumed that there is no single theory that perfectly fits innovative organisations. Therefore, it can be argued that leadership has an important role in creativity and organisational innovation. Leaders influence on creativity should be investigated in multiple contexts. It can also be argued that in a globalized world there is a need for a team of leaders instead of single leader leading the whole organisation. As mentioned in the literature review chapter, innovation and management have been popular issues since Burns and Stalker (1961), after that many studies

(Hemlin, 2006; Hülsheger, Anderson and Salgado, 2009; Afshari *et al*., 2011) regarded leadership as a main factor for the improvement of organisational innovation. Probably this issue will carry on in the future in accordance with new organisational themes.

5.5 Individual Creativity, Team Innovation and Intrinsic Motivation

Consistent with this dissertations literature review Wang *et al.* (2013: 340) defines individual (employee) creativity as the development of novel and useful ideas concerning products, practices, services, and procedures. However, there are some factors that influence the individual (employee) creativity. These factors are cognitive style, personality and intrinsic motivation. Yoshida *et al.* (2014) study, which analysed the mediating social psychological processes, demonstrated the mechanisms by which leadership affects both individual creativity and team innovation. As a result their research provides an important integrative contribution, which the strength of individuals and team relationships contributes to creativity and innovation. In their comprehensive study Anderson, De Dreu and Nijstad (2014) highlight that team/group level innovation has advanced in the last decade. This advancement helps to establish the importance of different group variables and processes to innovativeness.

One of the aims of this study was to investigate the impact of leaders' intrinsic motivation on the success of innovative companies. Furthermore, intrinsic motivation has been theorized to be a key ingredient for creativity (Amabile, 1996). Most of the existing research does not conduct psychological

mechanism of intrinsic motivation, however Shin and Zhou (2003) and Zhang and Bartol (2010) did. That clarified the effects of task and social contexts and the interactions with individual dissimilarity, on creativity. Moreover, a positive relationship is demonstrated between intrinsic motivation and creativity.

In his research Knippenberg (2011) highlighted the importance of the intrinsic motivation by defining it as a significant ingredient that pursues creativity and innovation (Amabile, 1988). The results claim that, higher group prototypicality adds to the persuasiveness of the inspirational leadership motivation. However, the empirical studies have found mixed results (Shalley, Zhou and Oldham *et al*., 2004).

5.6 Leader Follower Relationship

In the literature reviewed, as a result of test of mediation intrinsic motivation has not been found as an important mediator of the creativity and transformational leadership relation (Gumusluoglu and Ilsev, 2009; Shin and Zhou, 2003). Moreover, Isaksen and Tidd (2006) highlighted that in transformational leadership style leaders and followers motivate each other. Also, transformational leaders deal with changes in the organisation, which include change of values, mission, vision, and organisational forms (Isaksen and Tidd, 2006). Amabile *et al.* (1996) claimed that one of the most significant sources of creativity is intrinsic motivation, because it enables an employee to focus on the more creatively. As previously discussed transformational leaders provide supportive supervision to their employees, which is significant for creativity and intrinsic motivation (Oldham and Cummings, 1996)

Even though leader, follower relationships in the organisational innovation and creativity was not related to the research questions of this dissertation, during the evaluation stage and review of the data this evidence was found. Both leaders and followers need to be included in the innovation process, because leader follower communications enhance innovation, as it can be supported by the study conducted by Kohles, Bligh and Carsten (2013). As previously mentioned, Kohles, Bligh and Carsten (2013) acknowledge vision as an innovation and their main argument is that when followers share the organisation's common values as formalized in the vision, their desire to remain in the organisation increases.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 Significance of the Study to Leadership

The significance of this research was based on the arguments of innovation, creativity and leadership styles, which are likely to lead organisational innovation. The process of all innovations plans depends on creative ideas and their successful implementation, which is reliant on creativity developing these beyond their original state (Amabile *et al*., 1996, 2005). Importance of sustaining the innovative climate and culture was previously discussed (Yukl, 2013). In addition to that, Carneiro (2008) highlights the significance of leadership approach for organisational excellence and sustainability.

As creativity is a process for obtaining and sustaining competitive advantages (Amabile *et al.,* 1996) and leadership styles are regarded as antecedents of employees' creative behavior (Amabile *et al.,* 2004; Shalley and Gilson, 2004), it is significant for practitioners to learn more about relationships that is likely to exist between leaders and employees. The findings show that, creativity and innovation is mainly discussed in relation to globalisation and sustainability.

6.2 Research Question 1

The first research question explored; what kind of leadership is required to support a successful organisational innovation? In this research, even though there are several leadership definitions, Yukl's (2002) leadership

definition is accepted as a base. He highlights that leadership is a process in which the leader influences a group/team. Three leadership theories are discussed in relation to innovation, which are creative, transformational and transactional leadership. However, the findings of this study demonstrate ten different leadership theories that are positively influential in the innovation process.

6.3 Research Question 2

The second research question explored; how does different leadership styles affect the individual, group and organisational level innovation? There is a debate in the literature about individual innovation and organisational innovation (Stenberg, 1999; Koa, 1991). Although, Kanter, Kao and Wiersema (1997) claims that individual innovation is more important, West and Far (1992) argues the importance of organisational innovation. It can be argued that both of the concepts fit together as organisational contexts help the individual to achieve the organisational roles (Koa, 1991). The thematic analysis provides evidence that the leaders effect on the individual level, which is employee creativity, depends on cognitive style, personality and intrinsic motivation. The strength of individuals and team relationships contributes to creativity and innovation, therefore leader follower relationship is found significant.

6.4 Research Question 3

The third research question explored; what is the impact of leaders' intrinsic motivation on the success of innovative companies? Intrinsic motivation is highlighted as one of the most important sources of creativity

(Amabile *et al.,* 1996), as it allows the individual to focus on creativity. As previously discussed transformational leaders provide supportive supervision to their employees, which is significant for creativity and intrinsic motivation. Although, intrinsic motivation has been investigated in numerous studies, mixed results have been demonstrated. Nevertheless, there is some evidence that supports higher group prototypicality's positive influence on the leader's intrinsic motivation.

6.5 Scope and Limitations of the Study

The scope of this study is limited to a theoretical thematic analysis and systematic literature review method. Also, the literature review discussed the relationship between three leadership styles and innovation.

In terms of methodology, Kuckartz (2014) highlight that collecting qualitative data is interesting and exciting and usually feasible without major methodological problems. However, the difficulties with which researchers are faced in the early stage of a project are more related to a field access or the researcher's own behaviour in the field, rather than the methods employed to collect the information in the narrower sense. All the research methodologies have both disadvantages and advantages that are recognizable after the study has been completed. A qualitative thematic analysis was used to investigate leadership influences on an innovative organisation. Even though thematic analysis is a critical method, to some extent conducting research on printed material may limit the findings of this dissertation. Quantitative researchers have the perception of 'anything goes' to qualitative research. Laubschagne (2003, in Braun and Clarke, 2006) highlighted 'for many

scientists used to doing quantitative studies the whole concept of qualitative research is unclear, almost foreign, or “airy fairy” not ‘‘real’’ research.’ They further qualify that although; qualitative research cannot be evaluated with the same criteria as quantitative research. There are analysis methods that are carefully applied to the data (Braun and Clarke, 2006).

6.6 Conclusion

In the literature review search of this study transformational leadership theory was discussed as the effective leadership style for leading creativity and innovation in organisations. However the collected data demonstrated that there is not a single leadership approach that is suitable for leading successful organisational innovation; on the contrary there are several different theories. The results of this research highlight that prior to determining a suitable leadership practice; the individual, team/group and organisational level innovation capabilities should be investigated carefully. Additionally, not only intrinsic motivation of the leader is important but also, intrinsic motivation of the employees is crucial to successful organisational innovation. This is because intrinsic motivation comes from inside a person. It creates a feeling of responsibility, involvement, achievement, job satisfaction and empowerment. All these emotions evoke importance in both leaders and employees that their actions have impact upon their own lives and on the organisation. All in all, intrinsic motivation and a transactional leader are important components of prospering innovative organisations in the 21st century.

6.8 Future Research and Implications

This research is conducted using secondary data, which was limited to the articles published between 2009 and 2014. Further research can investigate a more extensive time frame, and results of the study may change due to that. Also, thematic analysis of innovation and leadership styles can be conducted by using primary resources with specific country and industry samples.

7. BIBLIOGRAPHY

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