

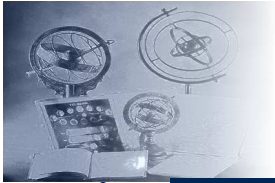
FUNDAÇÃO DOM CABRAL

**FDC**

DESENVOLVIMENTO DE EXECUTIVOS E EMPRESAS

# **THE IMPACT OF LEADERSHIP ON INNOVATION MANAGEMENT**

**Prof. Léo F. C. Bruno**  
**E-LEADER CONFERENCE – BERLIN, 2012**

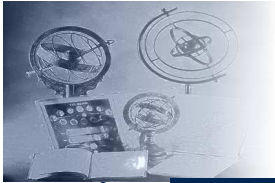


## ABSTRACT

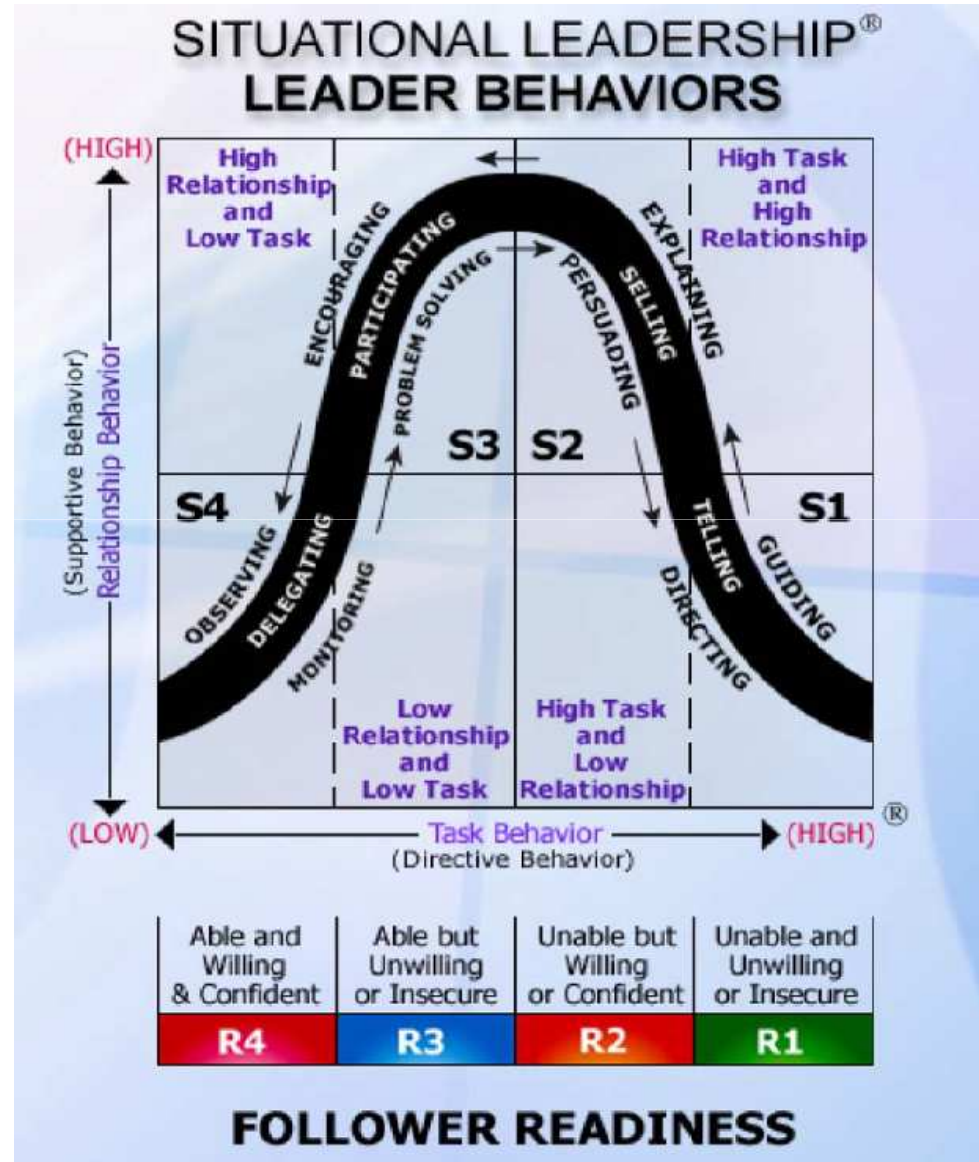
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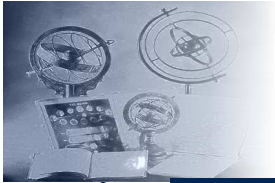
The study sought to evaluate the predominant leadership styles, the leadership effectiveness, and the relationship between leadership effectiveness and innovation management of a group of executives of several organizations. To identify the predominant leadership styles, as well as the leadership effectiveness of the 400 involved executives, it has been used an instrument available in the market. To compute the innovation management performance, an existing model, the Value Innovation Model, has been applied leading to the value innovation index for each one of the 48 involved organizations. To investigate the relationship between leadership effectiveness, taken the average value per organization, and the value innovation index, it has been used the linear regression statistics computing the linear correlation coefficient between the before mentioned variables. The study has uncovered lack of flexibility regarding the leadership styles, presenting styles of selling and sharing ideas as dominants. The study also showed that the leadership effectiveness of the involved executives was at a moderate level. Finally, the research pointed out a high positive relationship between leadership effectiveness and innovation management success, measured by the value innovation index.

Key-words: leadership style, leadership effectiveness, innovation management, value innovation index.



# LEADERSHIP MODEL





# VALUE INNOVATION DEVELOPMENT MODEL

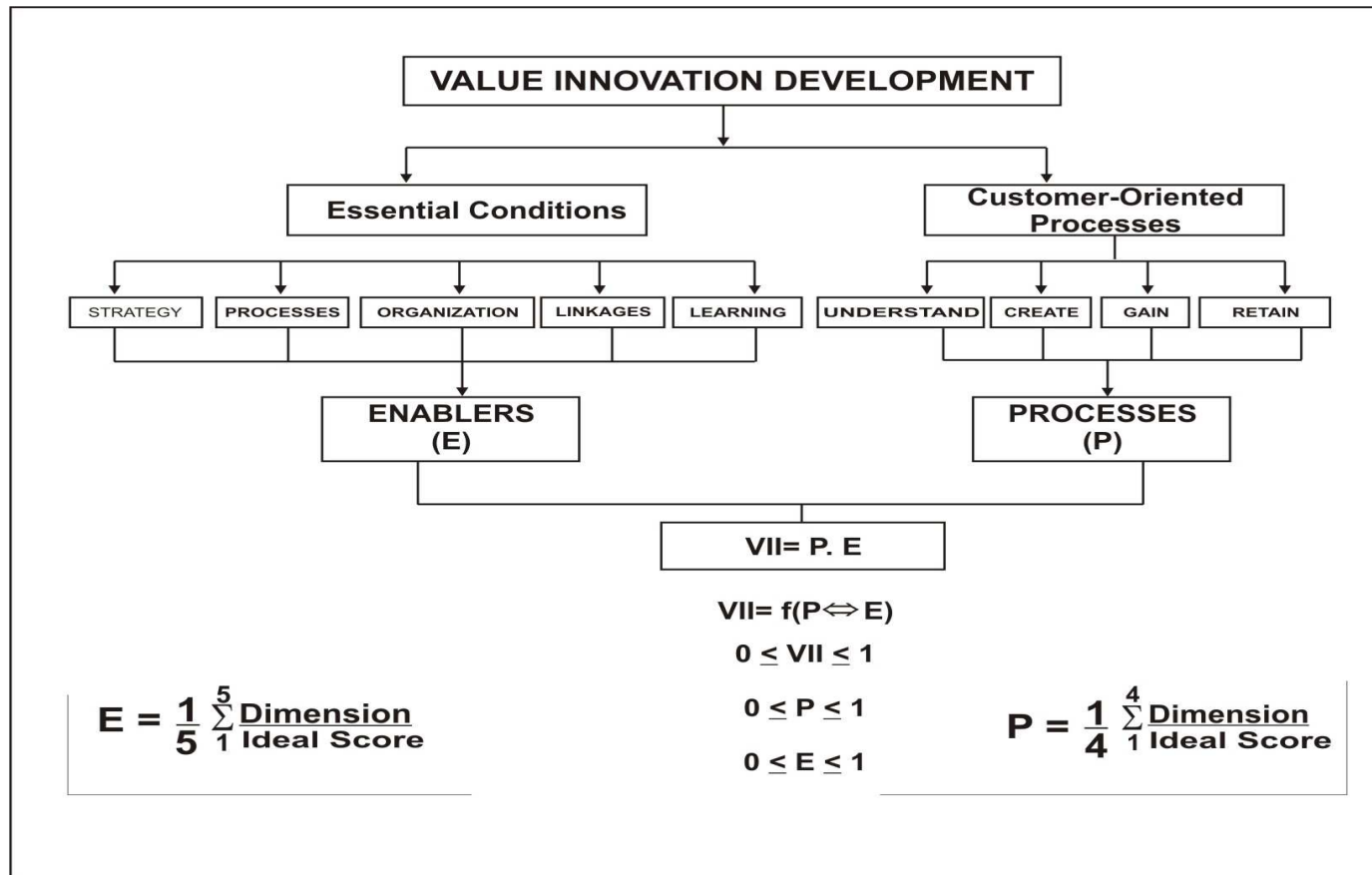
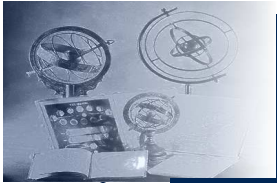
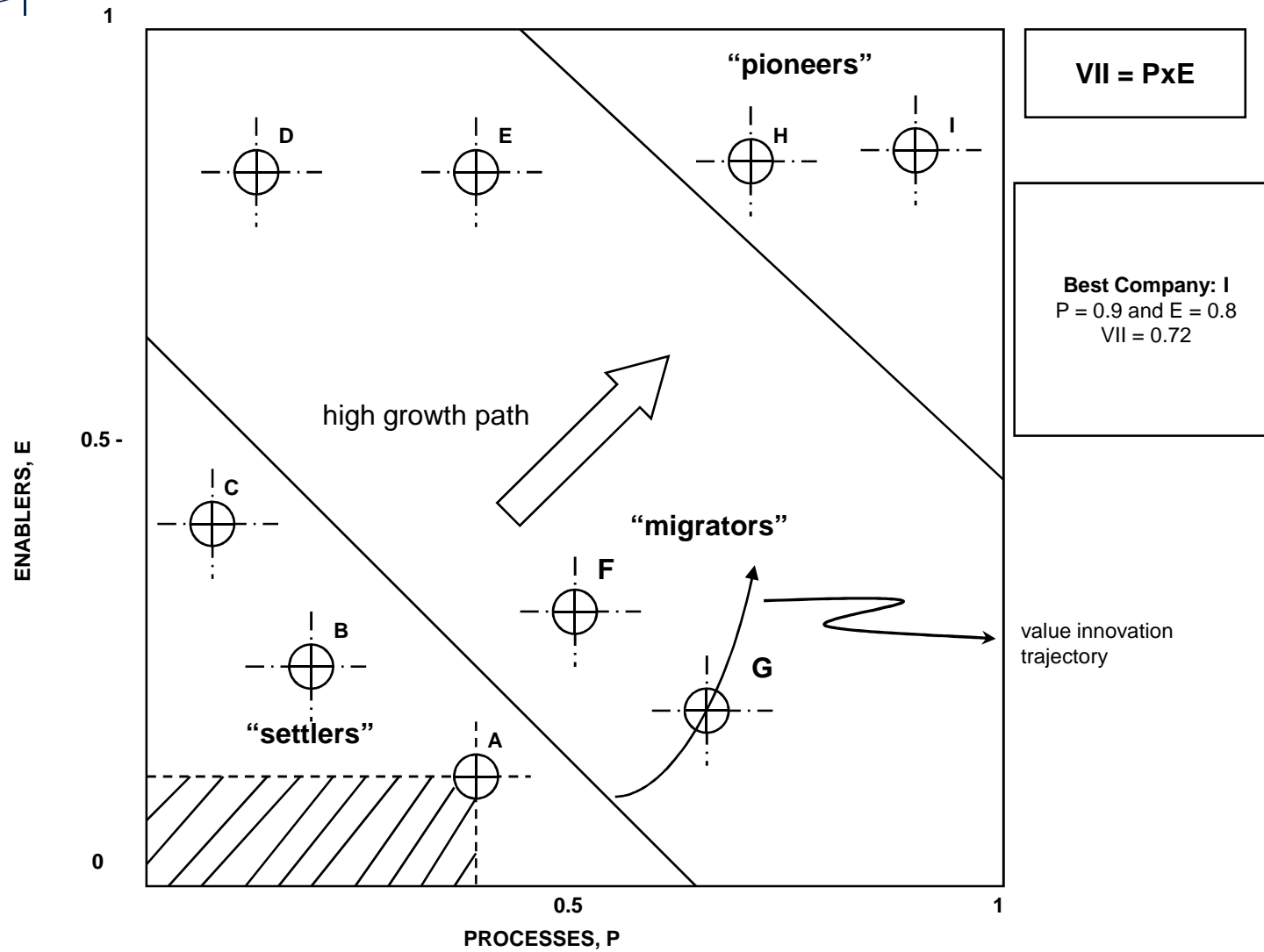
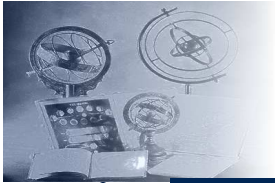


Figure 3 – Value Innovation Development Model Framework



# VALUE INNOVATION DEVELOPMENT MODEL





# VALUE INNOVATION DEVELOPMENT MODEL

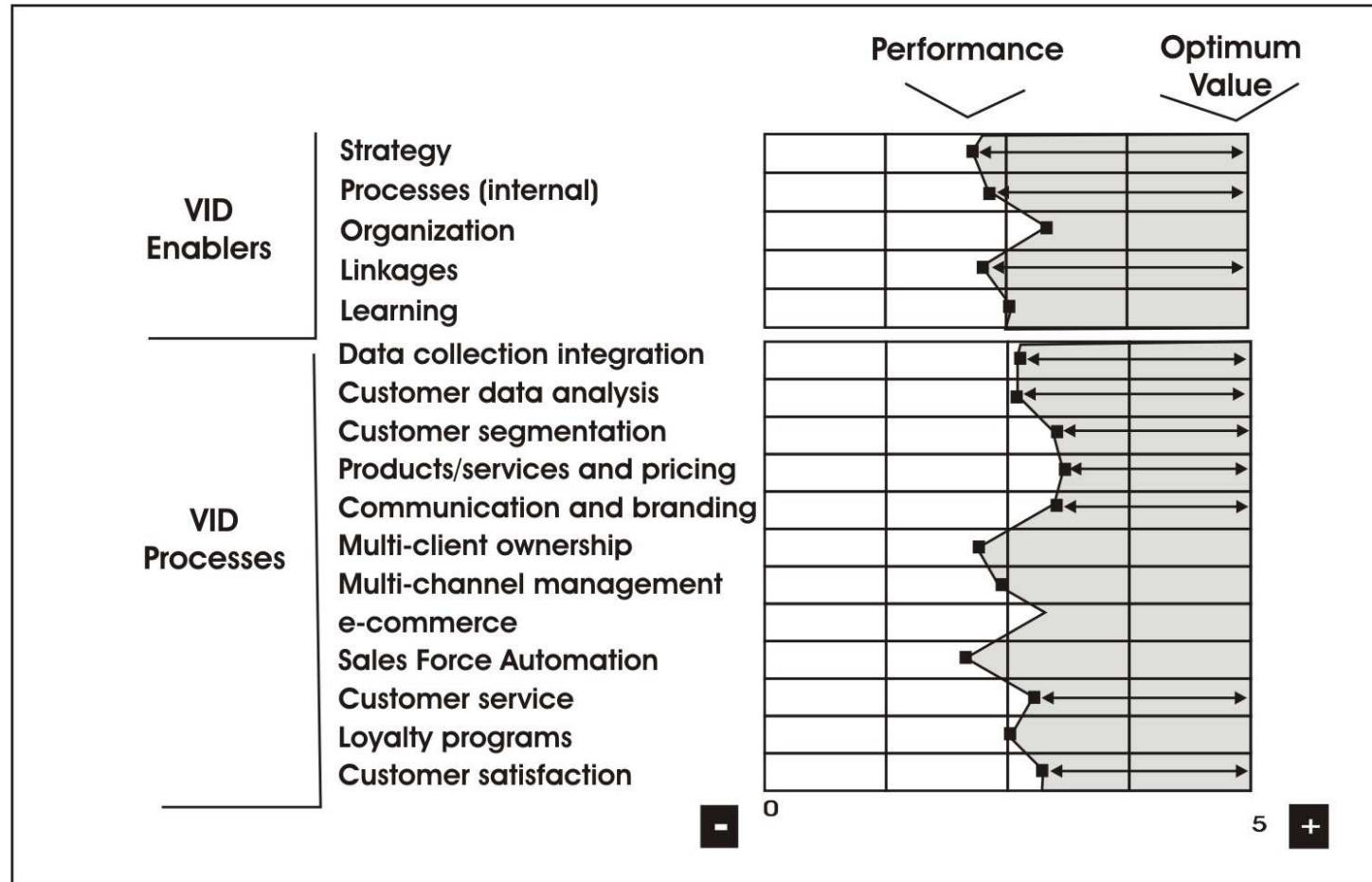


Figure 5 – Gap analysis by dimension



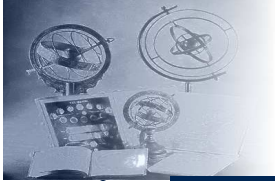
# RESEARCH QUESTIONS

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The study sought to answer the following research questions:

1. What is the predominant leadership style of the executives involved in the research?
2. What is the leadership effectiveness of these executives?
3. Is there a relation between leadership effectiveness and innovation management performance?





## METHODOLOGY

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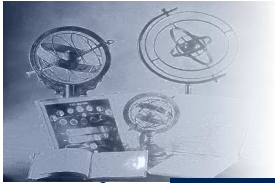
### **Sampling**

It has been randomly selected 400 executives involving 48 organizations, encompassing medium and large size ones. Most of them were manufacturing companies in the fields of consumer electronics, two-wheel vehicles, and cell phones. The majority of the executives were Brazilians (366) and some foreigners (34), being 142 females and 258 males with ages varying from 28 up to 48.

### **Data Gathering**

Three instruments were applied: one of Ipsosactive type – Leadership, and two of Facts Diagnosis – Innovation (Enablers and Customer-Oriented Processes).





## FINDINGS AND ANALYSES

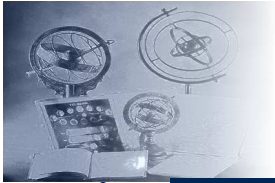
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### Profile of Leadership Styles of a Sample (400) of Executives

Style	Frequency Distribution (%)
S1 – Telling	16.2
S2 – Selling	48.2
S3 – Participating	28.6
S4 – Delegating	7.0

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Source: Research Data.



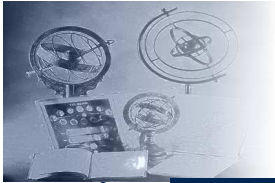
## FINDINGS AND ANALYSES

### Summary of Leadership Effectiveness of a Sample (400) of Executives

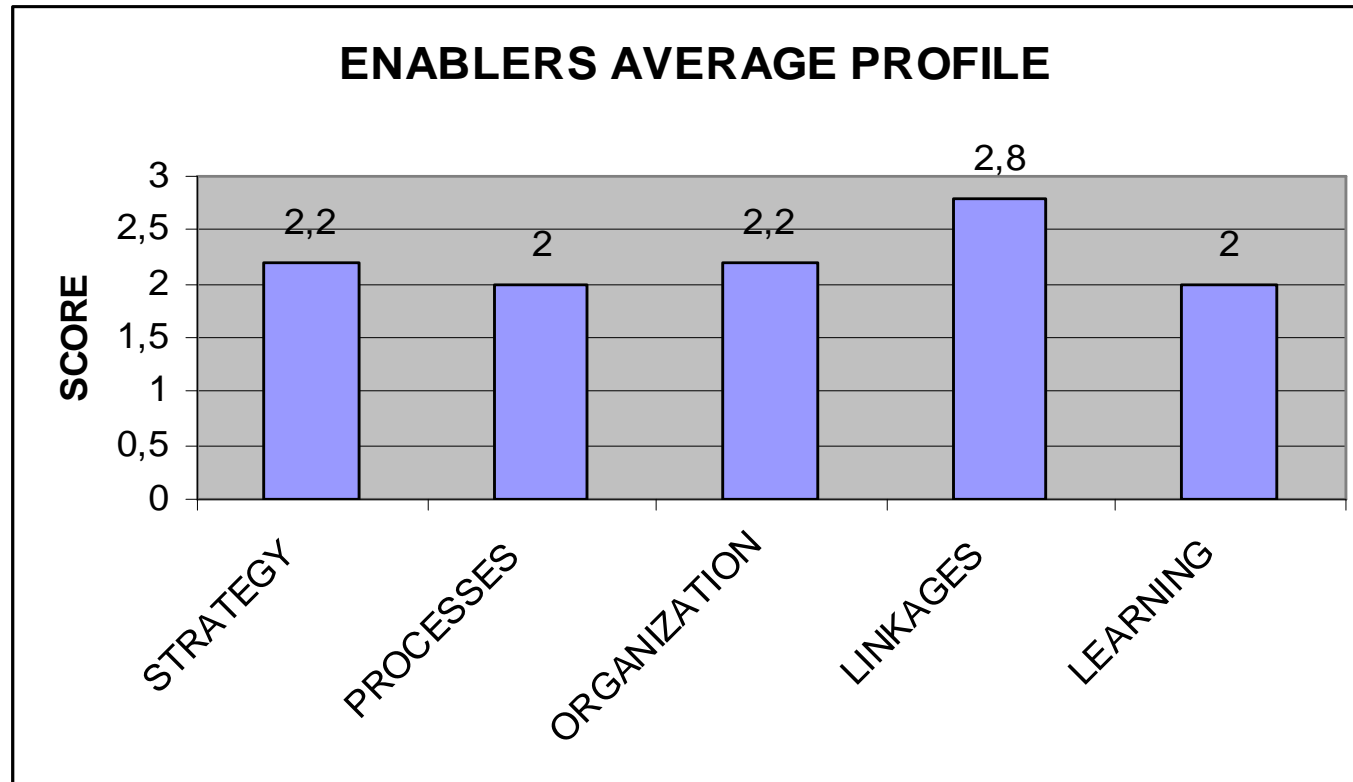
Score Interval (scale end points 0 and 36)			Leadership Effectiveness Level	Frequency	
				Absolute	Relative (%)
27	To	36	High	23	5.8
18	To	26	Moderate	370	92.4
9	To	17	Low	7	1.8
0	To	8	Very low	0	0

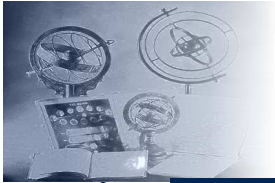
$$X^2 = 874.78 > X^2_{\text{crit.}} = 11.3; df = 3; p \leq 0.01$$

Source: Research Data.

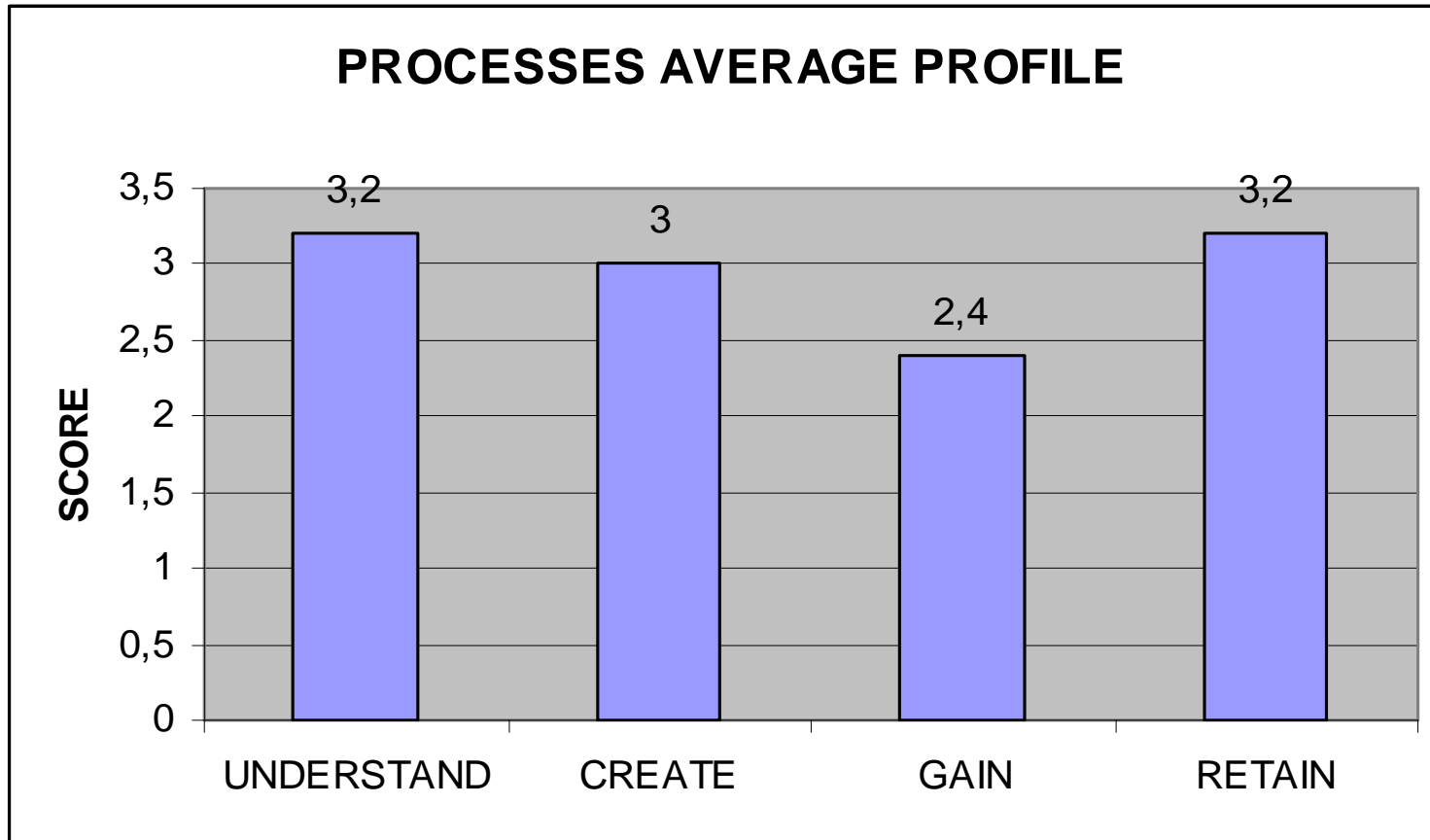


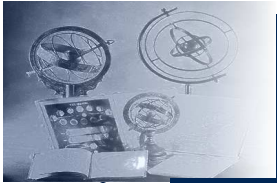
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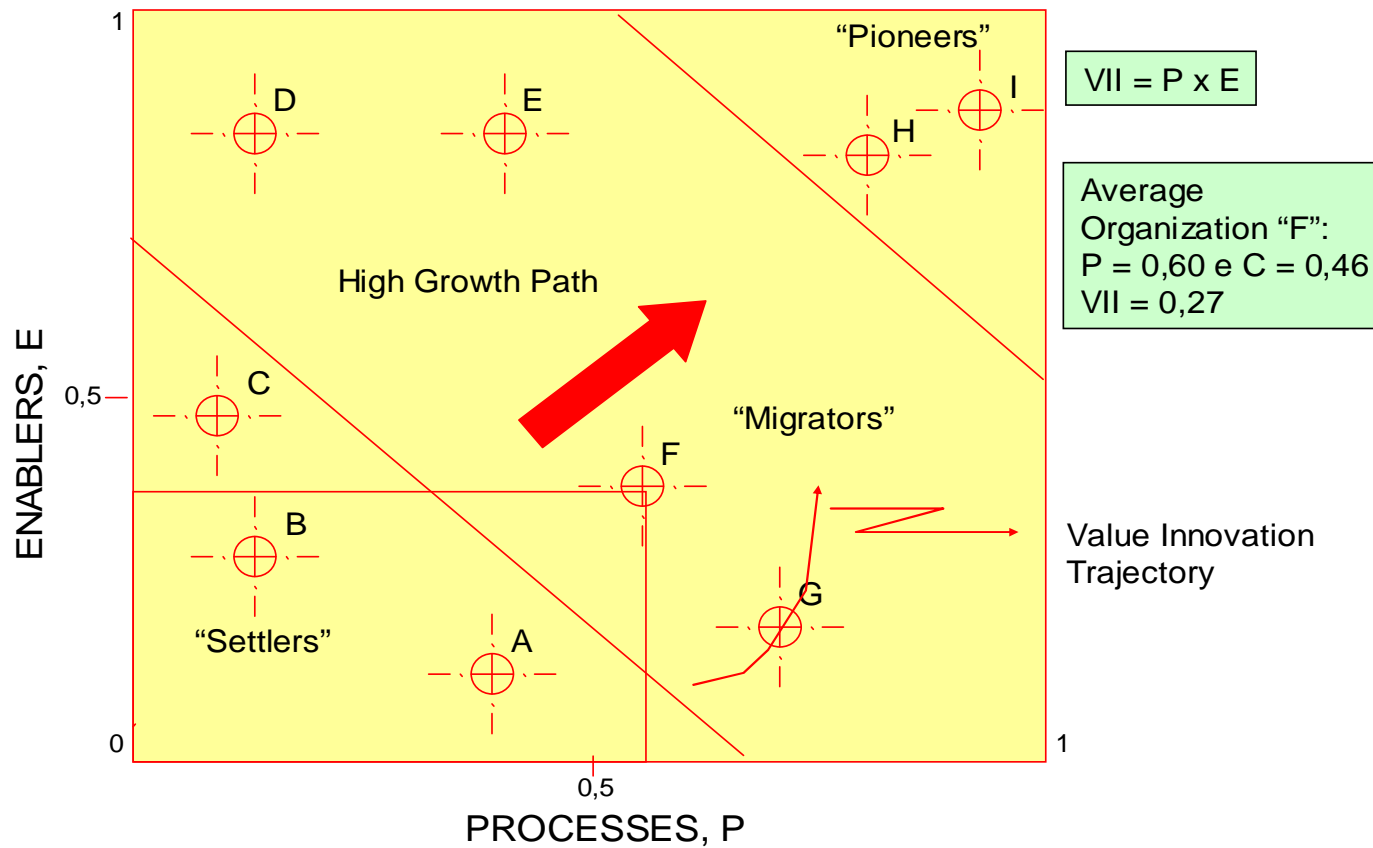


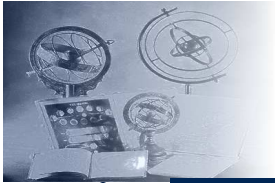
## FINDINGS AND ANALYSES





# FINDINGS AND ANALYSES



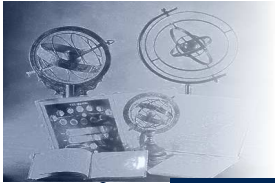


# FINDINGS AND ANALYSES

## Value Innovation Index and Leadership Effectiveness

Nbr.	SECTOR		E	P	VII	LE
1	Health Care	O 1	0.44	0.08	0.03	15
		O 2	0.55	0.24	0.13	18
		O 3	0.65	0.24	0.15	19
		O 4	0.62	0.40	0.24	23
2	Paper & Packing	O 5	0.63	0.45	0.29	27
3	Mechanical Parts	O 6	0.30	0.05	0.02	16
4	Electrical Parts	O 7	0.45	0.65	0.30	20
		O 8	0.71	0.39	0.27	26
5	Transport/Logistic	O 9	0.29	0.49	0.14	16
		O 10	0.56	0.65	0.36	23
		O 11	0.53	0.50	0.26	21
6	Consumer Electronics	O 12	0.34	0.25	0.08	15
		O 13	0.65	0.55	0.36	24
		O 14	0.60	0.65	0.39	25
		O 15	0.65	0.65	0.42	27
7	Vehicles	O 16	0.48	0.70	0.34	18

Considering the variables: Leadership Effectiveness (LE) and Value Innovation Index (VII), involving the sample of 48 organizations of 22 Segments, the Linear Correlation Coefficient was + 0.80, showing a high positive relationship between the two variables.

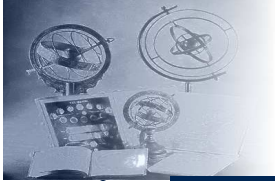


## CONCLUSIONS AND RECOMMENDATIONS

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1. The results of leadership style flexibility and leadership effectiveness lead us to the conclusion that this group of executives needs to receive training in terms of leadership skills, once they need to have more flexibility of styles and to be able to use the appropriate style depending on the situation. Previous studies (HERSEY, BLANCHARD and JOHNSON, 2001) suggest that by having this new profile this group of executives will be able to lead their organizations towards better results through an innovative approach, enhancing the probability of a sustainable longevity.
2. Once the study uncovered the high positive relation between executives' leadership effectiveness and innovation management performance, would be highly recommended in leadership development efforts to take into consideration a critical analysis on innovation initiatives. As a consequence, society will have leaders with a more comprehensive view of the world, assuring, therefore, more appropriate decisions.
3. The results on innovation management has shown a modest value as far as innovation management is concerned, therefore it is important for the organizations reinforce training and development of all employees in terms of creativeness development, as well as definitions of better operational processes which involve everybody in the process of improving continuously the organizations in all aspects innovations are possible.





## CONCLUSIONS AND RECOMMENDATIONS

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The study has shown a large space for improvements as far as innovation, of all kinds – process, systems, products, services, management and ways of doing the businesses, is concerned. These improvements are largely related with executives' attitudes and behaviors, having an adequate balance in their personal values and creating cultural environments that enhance the involvement and effective participation of all the stakeholders of the organization.



# CONCLUSIONS AND RECOMMENDATIONS

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## **Specific**

The samples used in the study were rather small, therefore any extrapolation from the results of the research must be done with caution.

Additional researches of the same nature involving larger sample sizes and conducted in other cultures are highly recommended.