

## СВІТОВА ЕКОНОМІКА ТА МІЖНАРОДНІ ВІДНОСИНИ

DOI: <https://doi.org/10.32782/2415-8801/2019-6.1>

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### MANIFESTATION OF INNOVATIVE LEADERSHIP IN CULTURAL ORGANIZATIONS: WHAT IS IT LIKE?

*In the context of the epoch change and the fourth industrial revolution, it becomes particularly important to outline new directions for organizations to seek advancement and competitive advantage in today's globalized world. These complex social, cultural and economic processes are driven by innovative leadership, which is treated as one of the key factors promoting the development of future organizations. It is acknowledged that the ability to create innovations and the organizational culture that supports innovations are one of the most important sources of competitive advantage for every organization. Relevance of the topic of innovative leadership is widely discussed in the context of business organizations' activities, but it should be noted that cultural organizations are also looking for ways to operate and develop their activities in the context of change of the 21<sup>st</sup> century. The need for innovative leadership is also particularly significant in them, as the field of cultural organizations' activities is undergoing cardinal transformations. This article aims to analyse the manifestation of innovative leadership and its need in cultural organizations.*

*Keywords: innovative leadership, cultural organizations, organizations, development, economic processes.*

### ПРОЯВ ІННОВАЦІЙНОГО ЛІДЕРСТВА В ОРГАНІЗАЦІЯХ КУЛЬТУРИ

*Реалії XXI століття породжують нові процеси, що перетворюють традиційні організаційні структури, форми діяльності та всю логіку їх функціонування. Сучасні організації працюють у постійно мінливому середовищі, що спричиняє численні виклики для впровадження довгострокової стратегії діяльності, оскільки ступінь змін та їх швидкість особливо інтенсивні та непередбачувані. Лідер і лідерство стають особливо важливими поняттями в контексті XXI століття. У наукових дослідженнях одногослосно визнано, що лідерство є важливим фактором для організаційного зростання та ефективних змін. Лідерство є важливим показником потенціалу компанії, разом з фінансовими показниками, що оцінюють поточний стан в організації. Сильне лідерство робить організацію ще сильнішою, а слабе керівництво знижує її потенціал і руйнує його. В умовах епохальних змін та четвертої промислової революції особливо важливим є окреслення нових напрямків для організацій, які шукають просування та конкурентних переваг у глобалізованому світі. Ці складні соціальні, культурні та економічні процеси зумовлені інноваційним лідерством, яке визначається як один із ключових факторів, що сприяють розвитку майбутніх організацій. Слід визнати, що здатність створювати інновації та організаційна культура, яка підтримує інновації, є одним із найважливіших джерел конкурентних переваг кожної організації. Актуальність теми інноваційного лідерства широко обговорюється в контексті діяльності бізнес-організацій, але слід зазначити, що культурні організації також шукають способів ефективно діяти та розвивати свою діяльність в контексті змін 21 століття. Потреба в інноваційному лідерстві також в них особливо значна, оскільки сфера діяльності культурних організацій зазнає кардинальних перетворень. Потреба в інноваційному лідерстві в динамічному організаційному середовищі стає універсальним і вагомим інструментом у сфері успішної роботи культурних організацій, тоді як інноваційний лідер є прикладом творчості, винахідливості та самовираження при генеруванні та реалізації ідей. Ця стаття спрямована на аналіз прояву інноваційного лідерства та його потреби в культурних організаціях.*

*Ключові слова: інноваційне лідерство, організаційна культура, організація, розвиток, процеси.*

### ПРОЯВЛЕНИЕ ИННОВАЦИОННОГО ЛИДЕРСТВА В ОРГАНИЗАЦИЯХ КУЛЬТУРЫ

*В условиях изменений эпохи и четвертой промышленной революции особенно важно определение новых направлений для организаций, которые ищут продвижения и конкурентных преимуществ в глобальном мире. Эти сложные социальные, культурные и экономические процессы обусловлены инновационным лидерством, которое трактуется как один из ключевых факторов, способствующих развитию будущих организаций. Следует признать, что способность создавать инновации и организационная культура, которая поддерживает инновации, является одним из важнейших источников конкурентного преимущества каждой организации. Актуальность темы инновационного лидерства широко обсуждается в контексте деятельности бизнес-организаций, но следует отметить, что культурные организации также ищут способы действовать и*

*развивать свою деятельность в контексте изменений 21 века. Потребность в инновационном лидерстве также в них особенно значительна, поскольку сфера деятельности культурных организаций претерпит кардинальных преобразований. Эта статья направлена на анализ проявления инновационного лидерства и его потребности в культурных организациях.*

*Ключевые слова:* инновационное лидерство, организационная культура, организация, развитие, процессы.

**Problem statement.** 21<sup>st</sup> century realities generate new processes transforming traditional organizational structures, forms of activity and the whole logic of their operation. Modern organizations operate in the ever-changing environment causing numerous challenges for implementation of a long-term activity strategy, as the extent of change and its speed are particularly intense and unpredictable. The leader and leadership become particularly important concepts in the contexts of the 21<sup>st</sup> century. It is unanimously acknowledged in scientific debates that leadership is a critical factor for organisational growth and effective change. Leadership is an important indicator of the company's potential, contrary to financial performance showing the current situation of the organization. Strong leadership makes the organization even stronger, like weak leadership reduces its potential and destroys it (Alves Pereira Cardoso et al., 2014).

In the context of the epoch change and the fourth industrial revolution, it becomes particularly important to outline new directions for organizations to seek advancement and competitive advantage in today's globalized world. These complex social, cultural and economic processes are driven by innovative leadership, which is treated as one of the key factors promoting the development of future organizations (Barsh et al., 2008). It is acknowledged that the ability to create innovations and the organizational culture that supports innovations are one of the most important sources of competitive advantage for every organization. Relevance of the topic of innovative leadership is widely discussed in the context of business organizations' activities, but it should be noted that cultural organizations are also looking for ways to operate and develop their activities in the context of change of the 21<sup>st</sup> century. The need for innovative leadership is also particularly significant in them, as the field of cultural organizations' activities is undergoing cardinal transformations.

**Research objective.** This article aims to analyse the manifestation of innovative leadership and its need in cultural organizations.

**Recent research and publications analysis.** It is recognized that the organizations of the 21<sup>st</sup> century need to change the ways their work is organized, while leaders need to look for new ways to seek competitive advantage of the organisation in the global space by developing new activity branches, markets, products and services. During the last 20 years, the organizational environment underwent major changes, but organisations are still governed following the approaches to the organization of the industrial society (Sydänmaanlakka, 2008). The challenges of the new millennium necessitate transformation of organizations through their leaders' mindset and behaviour, moving from the bureaucratic to postmodern organisational paradigm (Gill et al., 1998). Characteristic attributes of organizations of the industrial epoch were hierarchical structure, vertical relationships, mass production, process unification and standardization, orientation to rules, instructions and control in order to implement established efficiency

indicators. Post-industrial epoch organizations distinguish themselves by flexibility, shared leadership, free choice and personal responsibility, flexible operating models, team collaboration, orientation to relationships; hierarchical structures and vertical relationships are replaced by networks of power and influence and horizontal relationships. Leadership in the traditional organization was first and foremost associated with the emphasised need for strong leaders. Today, effective leadership is shared leadership. The leader is no longer the great man; i.e., the man with exceptional qualities and skills. The leader is the one who is able to bring teams together and find the great man in every team member. As noted by Sydänmaanlakka (2008), it is now more necessary than ever to integrate the most effective elements of traditional approaches to leadership, however, choosing only those operating in today's organization, into the common universal model of leadership, operating in various contexts. Modern leadership is smart leadership and it should encompass Western pragmatism, Nordic rationalism, Eastern holism and Southern humanism (Sydänmaanlakka, 2008).

**Presentation of basic material of the research.** In the context of global change, it is acknowledged that the ability of organizations, regions and even states to remain competitive is closely related to their preparation to create innovations and develop conditions favourable for their creation. Innovations are a functional, essentially advanced novelty oriented to replacement of the old with the new. Innovation may be an idea, activity or some material object that is new to people, their group or the organization that implements or uses it (Melnikas et al., 2003). Therefore, it is purposive to treat innovation as people's productive activity directed to the transition of a certain system from a lower level to a higher one, aiming at meeting the changing needs of the public.

Considering the above, the discussion on new quality in leadership – innovative leadership – becomes particularly significant. Innovative leadership includes 2 components: an innovative approach to leadership (new ways to inspire, bring the team together and organize the activity) and leadership fostering innovations (Horth, Buchner, 2014). Innovative leadership becomes particularly relevant because of the role leaders play in creating the organizational climate for employing innovative thinking methods to solve problems, develop new operational methods, products and services. Innovations are the result of collaboration that begins with idea generation, takes place through the development of the idea and ends with its implementation. This process necessitates the abundance of people and their experience. According to R.J. Baumgartner (2014), the innovator alone does not exist any longer. The leader is first and foremost, the person who stands out for his/her creative thinking, because creative ideas are the basis of any innovation. Innovative leaders are creative visionaries who are able to generate big ideas, motivate people to believe in them and focus on their implementation. Innovative leaders are not necessarily the ones who create ideas but those who are

able to recognize them as they emerge in the minds of other employees and mobilize the team for further implementation of the ideas. It is namely the leader who can encourage the sense of security of all members of the organisation as well as their willingness to identify themselves with the organization, allowing employees' creativity to unfold.

**Table 1. Comparison of traditional and innovative leadership**

TRADITIONAL LEADERSHIP	INNOVATIVE LEADERSHIP
Genius of the leader	Employee creativity
Setting a clear course	Search for new operational models and experimenting
Operational models that have answered the purpose	Rejection of usual operational models
Experience, facts, research	The vision of the desired future
Logic	Intuition
Deduction and induction	Abduction
Precedent	New constructs and openness to new opportunities
Answers and directives	Significant questions and numerous perspectives
Technical preparation	Continuous learning
Motivation and control	Education and mentoring
Results	Meaning

*Source: compiled by authors according to Metcalf, Morelli, 2015; Horth, Buchner, 2014; Vlok, 2012.*

The competence of innovativeness and creativity is related to the abilities to generate new ideas and to apply new working methods in work activities. Because innovativeness is related to the search for new ways of solving problems and positive reaction to novelties, this encourages to turn back to promotion of employee creativity, which is increasingly often treated as the basis of the competitive advantage not only for the employee but for the whole organization. Creative problem solving is the ability to employ non-standard and/or innovative problem-solving ways and to lead. Creativity can result in a radically new idea, service or product, which are implemented by introducing innovation.

Development of innovations also requires a completely different quality of communication within the organization. Building the communication climate in the organization depends on the ways leaders interact with other team members and other leaders, how transparently they make decisions, how often they are seen in the organisation, and how often they are able to interact with employees personally. P. Miller (2012) distinguishes 3 important levels of communication skills for leaders: of personal communication, team communication, and strategic and external communication. It is noted that there must be a respective platform for feedback, discussions and consultations in the organisation, engaging every team member in the organization's activities, as well as the reward system promoting new, original projects (Mumford, 2011).

To sum up, it must be noted that innovations are not just leaders' responsibility – the whole team becomes the source of innovations. Innovative leadership – shared leadership, while the innovative leader is a visionary bringing the team together, fostering creative thinking and a rational

manager. Monitoring of the external environment and insights into trends are becoming increasingly more relevant to leadership.

Innovative leaders are creative visionaries who are able to generate big ideas, motivate people to believe in them and mobilise them for their implementation, but it must be noted that organizations belonging to a respective field of activity, in this case, the cultural sector, operate in the same social, technological, demographic, economic environment and are related by common forms and values. Revealing the need for innovative leadership in cultural organizations, it is important to note that although there are different types of organizations in the cultural sector (libraries, museums, cultural centres, theatres and concert institutions, archives, etc.), they are interrelated; therefore, formation of innovative leadership approaches should be based on the common, universal model of leadership, operating in various contexts. The importance and need for the leader and leadership are emphasized by almost all organizations in the culture and education sectors. The National Education Strategy 2013-2022 pays particularly much attention to leadership and its manifestation. It is emphasized that it is important to create preconditions for leadership and develop the abilities of mobilising and shared leadership of leaders of educational institutions. Leadership in libraries is particularly related to education in creating the learning-friendly environment. The long-term success of libraries as educational institutions requires not only competent managers but also innovative leaders with good communication skills, efficiently using partnership relations and assuming new roles and challenges. On 3<sup>rd</sup>-5<sup>th</sup> of June, 2013, the Association of Lithuanian Cultural Centres held a national seminar for leaders of cultural centres of cities and districts "Leadership in the changing cultural centre" in Juodkrantė. The seminar was attended by the managers of 54 cultural centres. Discussions encompassed issues of purification and analysis of the leader's qualities, doing practical tasks, the principles of educational leadership and what educational leadership is (National seminar of the Association of Lithuanian Cultural Centres "Leadership in the changing cultural centre"). All of the above-mentioned manifestations of leadership in cultural and educational organizations point to the need to develop various forms of innovative leadership that would contribute to more systematic development and implementation of goals they have set and meet new challenges.

**Conclusions.** The new quality leadership – innovative leadership – integrating aspects characteristic to traditional leadership and new operational models becomes particularly significant in the modern organisation oriented to building culture that supports innovations and to continuous development of innovations. On the one hand, innovative leadership helps to create the continuously renewing organization that is capable of operating in the environment abundant in uncertainties; on the other hand, it is important to create the organizational culture that fosters creativity and innovation. In today's organization, the role of collective creativity comes to prominence – the whole team becomes the source of innovations, while the modern leader is the visionary mobilising the team, promoting creative thinking and rationally managing the organisation. It is also worth highlighting the role of communication in the modern organization, encouraging collective creativity, building sustainable relationships

among team members and fostering the innovation-supportive environment.

The need for innovative leadership in the dynamic organisational environment becomes as if a universal and

significant tool in the field of successful operation of cultural organizations, while the innovative leader is an example of creativity, inventiveness and self-expression in generating and implementing ideas.

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