

# “Leadership aiming at innovation: suggesting and discussing four roles of an innovation leader”

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<b>ARTICLE INFO</b>	Hugo Skålsvik, Daniel Adriaenssen and Jon-Arild Johannessen (2016). Leadership aiming at innovation: suggesting and discussing four roles of an innovation leader. <i>Problems and Perspectives in Management</i> , 14(3-2), 537-548. doi: <a href="https://doi.org/10.21511/ppm.14(3-2).2016.10">10.21511/ppm.14(3-2).2016.10</a>
<b>DOI</b>	<a href="http://dx.doi.org/10.21511/ppm.14(3-2).2016.10">http://dx.doi.org/10.21511/ppm.14(3-2).2016.10</a>
<b>RELEASED ON</b>	Tuesday, 27 September 2016
<b>JOURNAL</b>	"Problems and Perspectives in Management"
<b>FOUNDER</b>	LLC "Consulting Publishing Company "Business Perspectives"



NUMBER OF REFERENCES

0



NUMBER OF FIGURES

0



NUMBER OF TABLES

0

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## SECTION 3. General issues in management

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### Leadership aiming at innovation: suggesting and discussing four roles of an innovation leader

#### Abstract

Organizations often experience problems and challenges due to the development of rigid bureaucratic rules and procedures, which may represent obstacles to creativity and innovation. In a global knowledge economy, innovation is an important competitive parameter. Consequently, anything that may stimulate innovation in an organization's creative energy fields is valuable. This paper addresses one question: What management roles of an innovation leader may enhance the development of innovation in an organization's creative energy fields? Methodology used is conceptual generalization.

The article suggests, clarifies and discusses four roles of an innovation leader's that may have a positive impact on an organization's innovation performance in creative energy fields. The roles are conceptualized as "the innovation leader as an expert", "the innovation leader as a reputation builder", "the innovation leader as a relationship builder", and the "innovation leader as a creative change force". The article argues how these four roles are important in promoting innovation in organizations. By doing this, the article contributes to the extant knowledge on how four different roles of an innovation leader's may enhance an organization's innovation performance in creative energy fields.

**Keywords:** the knowledge society, innovation in organizations, creative energy fields, innovation leaders, roles of an innovation leader.

**JEL Classification:** O31, O33, D83.

#### Introduction

Innovation is a construct associated with wealth, prosperity and employment in society (Drucker, 2007), and in the innovation research literature, innovation is perceived as an important driver of economic growth; particularly in industrialized economics (Tidd et al., 2005). Nevertheless, despite the fact that there are different views how to interpret the concept innovation, there seems to be a consensus that "innovation is at the heart of many companies activities" (Trott, 2005, p. 5). Similarly, there seems to be an agreement that innovation at the company level is a change oriented management process that needs to be adequately planned, organised and managed (Op.cit). Furthermore, there seems to be a consensus that there is a set of internal, external and contextual factors which may impact on and fuel innovation processes and development at the firm level.

According to innovation knowledge and theory, success at the company level in the global knowledge economy requires a stream of continuous innovations (Sagasti, 2004; Gladwell, 2000; Hamel, 2007). In fact, innovation research has become one of the fastest growing research fields in the management area, and several definitions of the construct innovations have been offered (Tidd et al.,

2005). Trott (2005) claims that innovation is a broad concept that can be understood in a variety of ways. In relation to this, Weaver (2005, p. 209), as an example, perceives innovation as "value creation in the light of new knowledge and ideas". The core of this definition is the potential of innovations to create value at different levels in society, including the company level. Nevertheless, for the purpose of this paper we perceive innovation as "fundamental studies of change processes, knowledge development and knowledge integration in social systems. This definition implies a process view of innovation with the core being that innovation is a change oriented management process (Trott, 2005). In this change oriented management process, we opine that an innovation leader must take on different management roles in order to fuel, stimulate and develop innovation processes at the corporate level. Thus, this paper acknowledges and values the important role of innovation at the firm level in order to face fierce competition in a growing knowledge economy termed as "hyper-competition" by D'Aveni (1994). Our concern in this paper is how an innovation leader needs to take on different management roles in order to develop innovation in an organisation's creative energy fields.

Gratton (2007) used the concept "hot spots" to refer to those areas in an organization where creativity and innovation are developed. Nevertheless, we use the concept creative energy field which, according to Johannessen and Skaalsvik (2015, p. 90), is "a spot in an organization where a group of creative

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individuals collaborate and work together in order to bring to surface new ideas which may fuel innovations processes and development". Hence, we perceive that the concept "creative energy field" represents an extension of Gratton's (2007) "hot spots", the core being that it represents a comprehensive and holistic view of innovation process that encompass all functional areas and levels of an organization. Thus, a creative energy field may consist of creative individuals, groups or teams that are located together or that work in different places in an organization. Furthermore, in relation to this, our view is that an innovation leader must take on different roles in order to make the creative energy fields effective.

In the context of organizations, an innovation leader is person that envisions needs, internally or externally, and who are able to initiate actions to enhance an organization's innovative capacity and performance". S(h) may be a formal leader in an established position, but not necessarily so. An innovation leader may also be considered in relation to Schumpeter's definition of an entrepreneur: "Any manager or decision maker who innovates" (Allen, 1991, Vol I, p. 104). In fact, the concepts of innovation leader and intrapreneur are closely related terms. But while an innovation leader takes on active management roles, this is not necessarily the case with intrapreneurs. We opine that an innovation leader is "an individual in an organization that is creative, sees business opportunities and acts change oriented by taking initiatives and actions to plan for, organize and implement incremental, as well as radical innovations in order to stimulate at develop innovations in an organization's creative energy fields" (authors' suggestion).

An innovation leader may be connected with an organization in different ways: for instance, s(he) may be employed in an organization on a permanent basis or on contract, or may have a role in an organization's external network. An external network can constitute the basis for the development of co-creative innovation in an organization (Chesbrough, 2011). In contrast to open innovation (Kawasaki, 2010), which collects information from the external world, co-creative innovation involves creative activities and actions between actors in a network, where information goes both ways (op.cit).

We will in this paper focus on the individual level of analysis, i.e., at the level of the individual innovation leader. By building on and finding support in leadership, management and innovation knowledge and theory, we will focus on four different (management) roles of an innovation leaders who

works in an organization's creative energy fields, which we will argue, may have a positive impact on the innovation performance of an organization.

This paper searches to answer one question: What management roles of an innovation leader may enhance the development of innovation in an organisation's creative energy fields?

In order to answer the research question posed, this paper is organized in the following way. After this introduction, methodology is explained and, then, the second part shows a conceptual model which depicts how the four roles of an innovation leader interact and impact on the performance of an innovation leader in an organization's creative energy fields. Part three contains the literature part in which the four roles of an innovation leader are examined. In the fourth part follows the discussion part. Then, follows the theoretical and practical implications that may be drawn from the study. The study's conclusions terminate the paper.

## 1. Methodology

The methodology used is described below. For further investigation into the methodology named "conceptual generalization", we recommend the papers by Adriaenssen & Johannessen (2015) and Bunge (1998, 1999, 2001).

Research falls into two main categories: conceptual generalization and empirical generalization (Bunge, 1998). Conceptual generalization is an investigation whereby the researcher uses other researchers' empirical findings in conjunction with his or her own process of conceptualization in order to generalize and identify a pattern. This contrasts with empirical generalization, where the researcher investigates a phenomenon or problem that is apparent in empirical data, and only thereafter generalizes in the light of his or her own findings (Bunge, 1998). The starting point for the researcher in the case of both empirical and conceptual generalization is a phenomenon or problem in the social world.

Conceptual generalization and empirical generalization are strategies that are available for answering scientific questions. Which of these strategies one chooses to use is determined largely by the nature of the problem, "the subject matter, and on the state of our knowledge regarding that subject matter" (Bunge, 1998, p. 16).

Conceptual generalization, which is the methodology applied in this paper, is "a procedure applying to the whole cycle of investigation into every problem of knowledge" (Bunge, 1998, p. 9).

## 2. The model

The Figure 1 shows our conceptual model. The model depicts that there are four roles of an innovation leader that, directly and indirectly, impact on an innovation leader's performance in an organization's creative energy fields. Furthermore, the model shows a circular

pattern in which the four roles interact. Illustratively, the innovation leader as an expert reinforces the innovation leader's role as a reputation builder, and the innovation leader's role as a reputation builder reinforces the role as a network builder, which again strengthens the innovation leader's role as an expert.

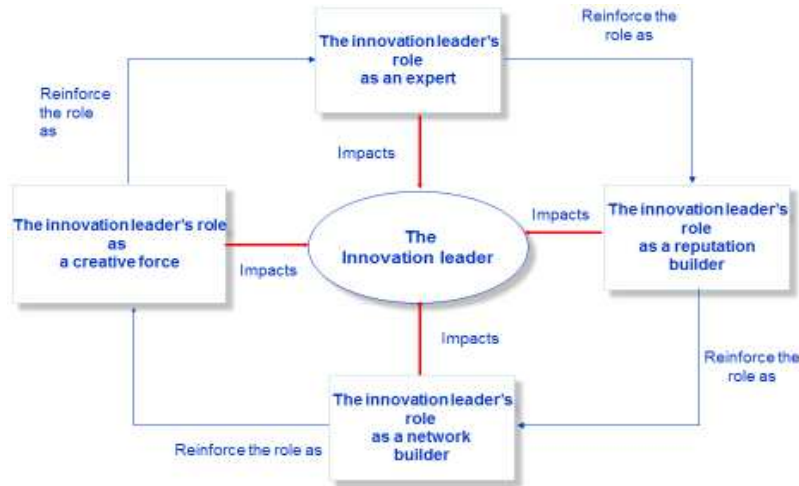


Fig. 1. The innovation leader in creative energy fields: different roles

## 3. Literature review

By finding support in leadership, management and innovation knowledge and theory, we will elaborate on four different roles of an innovation leader who works in an organization's creative energy fields which may fuel, stimulate and develop innovation processes in an organization.

**3.1. The innovation leader as an expert.** Our view is that it is beneficial for an expert to possess creativity in order to bring to surface something new, a view which is supported by Amabile (1988, 1996) saying that creativity refers to that which is original, new and useful. The "useful" element in Amabile's understanding of creativity relates the concept directly to innovation, which again is related to value creation (Weaver, 2005, p. 209). As a matter of fact, there may be many creative individuals in an organization, but they may not be innovative unless they contribute on their own or with others to an organization's value creation. Value creation is a concept which is extensively used in the academic management literature and in the business press. Value creation concerns an enterprise's activities and actions that aim to increase customers' valuation of the benefit of consumption. According to Amabile (1988), creative individuals are a necessary precondition for innovation.

An individual's creativity may be understood in relation to the link between personal and contextual factors (Zhou and Shalley, 2003). "Personal factors" in the academic innovation literature often refer to intrinsic motivation, task orientation, contextual

knowledge and learning (Amabile, 1996), and the ability to seize new business opportunities (Shane and Venkataraman, 2000). In contrast, "contextual factors" refer to the framework conditions that apply to the individual (op.cit).

The innovation leader as an *expert* opens up the possibility of evaluating different kinds of knowledge, skills and attitudes related to results, and this area of research has provided interesting results (Reuben and Fisher, 1994). Seizing new business opportunities is directly related to the use of new ideas and knowledge to create value for the innovator and others (Shane and Venkataraman, 2000).

We opine that the innovation leader as an expert as being a synthesis of the following elements:

1. Adaptation by changing what you need to adapt to; this is called "enactment" by Weick (1988).
2. Creating a sense of what he/she does, or what Weick (1995) calls "sense making".
3. "Awareness" or the ability to perceive and absorb knowledge (Kirzner, 1989).

"Enactment" refers to an individual who, first, acts in relation to the external world and, then, adapts to what he/she has changed. This is a form of "creating your own future", which has also been described by Ackoff (1981), and in which the external world is adapted to individual needs. The essence is that the innovation leader adapts by changing what he/she wishes to adapt to. The ability to adapt by creating conditions in the external world depends on identifying and exploiting established knowledge, and applying knowledge expertise in achieving this.

The innovation leader envisions in the “enactment” process concerns an opportunity in relation to established knowledge, uncovering a new pattern that others are unable to “see” and, thus, creates conditions which he/she, then, adapts to. It is this process to adapt by changing that he/she needs to adapt to and that constitutes the genuine knowledge expertise of the innovation leader. He/she adapts by creating or “enacting” his/her surroundings, thereby contributing something new to processes of change. While exploiting existing knowledge, the innovation leader practices an exploratory learning process; so it is not the case that he/she first uses established knowledge and, then, explores new opportunities. It is the *simultaneous* process of exploiting and exploring, which characterizes the innovation leader’s “enactment” process, so he/she remains constantly on the edge of established knowledge (Weick, 1988).

The “enactment” process requires vigilance and active “sense making”, where the innovator continuously perceives, interprets, selects and de-selects knowledge, resulting in new opportunities (Weick, 1988). The innovation leader acts in relation to the new scope of opportunities, developing an understanding and a sense of what emerges and, then, adapts to the scope of

opportunities, which he/she has created. It is the adaptation and navigation through the scope of opportunities (which is not visible to others) connecting “enactment” and “sense making” which characterize this process, rather than accuracy and analysis. Illustratively, the innovation leader is comparable to the artist who works with established techniques, but who produces new results.

“Making sense” and “enactment” are indistinguishable in practice; the two processes are intertwined in relation to the innovation leader’s “awareness” of the external world (Weick, 1995). This awareness does not refer to information asymmetry in the market, i.e., that some know while others do not know, but rather what is “hidden” in emerging patterns (Kirzner, 1989).

The three simultaneous processes; “enactment”, “sense making” and “awareness” are used by the innovation leader in order to get to grips with emerging patterns before others are in a position to do the same. It is these three processes that constitute the concept of pre-vocal knowledge, which aims at promoting value creation (see in particular Ireland et al. (2001) and Drucker (2007). The innovation leader as an expert is shown in the Figure 2.

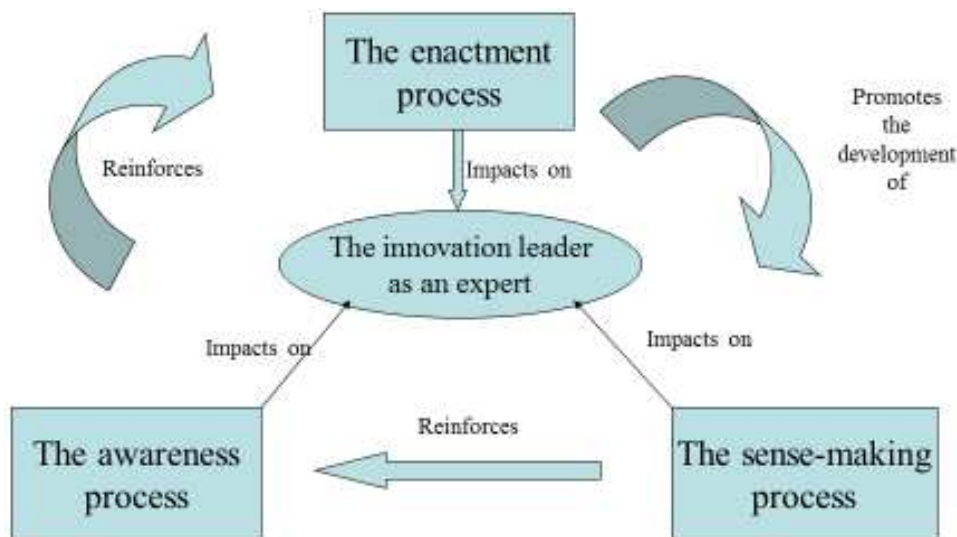


Fig. 2. The innovation leader as an expert: three processes

**3.2. The innovation leader as a reputation builder.**

The innovation leader’s reputation is a critical variable (Aldrich, 2000). Reputation does not develop in a vacuum, but occurs through social interaction in one or more networks and may be understood as the genesis of social capital (Iturrioz et al., 2015). However, we have little knowledge about the genesis of social capital, as little research has been carried out in this area (Adler and Kwon, 2002). But, if one assumes that reputation is part of social capital, this may be adopted

as an approach to understanding the role reputation plays in innovation processes in organizations (Clark and Montgomery, 1998).

Reputation expresses itself, among other things, through “stories” about the person that circulate in his/her network (Fombrun, 1996; Lounsbury and Glynn, 2001), stories which help to create the necessary legitimacy for the person in question. Reputation grows out of three mutual processes. The first process is connected to how the person

presents himself/herself (Rosenfield et al., 2002) and the second is linked to the person's prestige in relation to his/her expertise. Last, but not least, there will be stories circulating about the person's ability to "deliver the goods", which is essential for the maintenance of the person's good reputation (Mitchell, 1997; Thornton, 1999). These three processes create stories that circulate in the person's network, and establish his/her legitimacy. The presentation will ensure that others are aware of what an innovation leader as a reputation builder stands for, which is a necessary first step (Rao, 1994). Thus, reputation grows out of the relationship between presentation and the ability to deliver the goods (Westhead et al., 2003).

The emphasis on the importance of stories is relatively new in the academic literature in the field, but may provide an indication of why some succeed while others fail (Thornton, 1999). The stories make the ambiguous clear by selecting one element while discarding others, in order to reveal relationships that otherwise have remained unknown (Ashforth and Humphrey, 1997).

The stories that circulate may be varied, and we suggest to group them into three categories:

1. Operational stories.
2. Strategic stories.
3. Normative stories.

Operational stories relate to information concerning whether the person can deliver the "goods"; strategic stories are related to prestige; and normative stories concern how the person presents himself/herself in relation to norms and values in the network and in the industry.

These three categories of stories in conjunction with the genesis of the person's reputation establish his/her legitimacy. Legitimacy is established by how the person is assessed in relation to the existing norms and values that prevail in the network (Lounbury and Glynn, 2001). The acid test for the development of legitimacy is whether the person can deliver the goods so that they remain within the standard norms and values that exist in the industry (Rindova and Fombrun, 1999).

The stories are usually constructed with a beginning, a middle, and an end part and the common thread that runs through them. Conflicts and tensions are included in order to capture the audience's attention, and there will also be a clearly defined gallery of characters. As a rule, the stories usually include a "moral" component, which is often associated with a particular character (Booker, 2004). They

often include characters and forces that for various reasons are opposed or allied to the main character (Fiol, 1989).

These stories provide a basis for distinguishing between different people so that stakeholders are able to predict the likelihood of an individual to succeed. The stories are cultural tools that individuals use to present themselves and stakeholders use to distinguish between competing projects. However, the challenge for stakeholders is to distinguish between the presentation and the underlying reality. The stories contribute to a person's identity, and in this context, Czarniawska (1997) has described identity as a series of stories that helps to establish a person's legitimacy. In relation to this Suchman, (1995) argues that legitimacy can be related to identity in institutional theory. Identity emphasizes what is important and really matters: it is persistent and distinct (Albert and Whetten, 1985). For an individual, identity says something about where he/she stands for in relation to others, and is also used by individuals to compare themselves to others.

In addition to the three levels described above, identity may also be understood in relation to the stable and temporal aspects of identity. The temporal component of identity refers to a person's ability to adapt to situational contexts; the stable component is the part of identity that does not change. Ideas concerning "the temporal component of identity" may be found in the academic literature on organizations; see amongst others Gioia et al. (2000) and Hatch and Schultz (2002). Their work undermines to some extent the classical understanding of identity as something stable and persistent over time, a view which is expressed by Albert and Whetten (1985).

Hochschild (1983) uses an interesting perspective concerning "presenting oneself", which may be related to the temporal and stable components of identity as he speaks of a person's "surface and deep acting". "Surface acting" relates directly to the temporal component of identity, whereas "deep acting" relates to the stable component of identity. "Surface acting" relates to a current context, and presupposes that the person has the necessary expertise to interpret the various contexts. "Deep acting" refers to the face behind the mask, the mask that is consistent with the person's own values and norms. The Figure 3 depicts the innovation leader's role as a reputation builder.

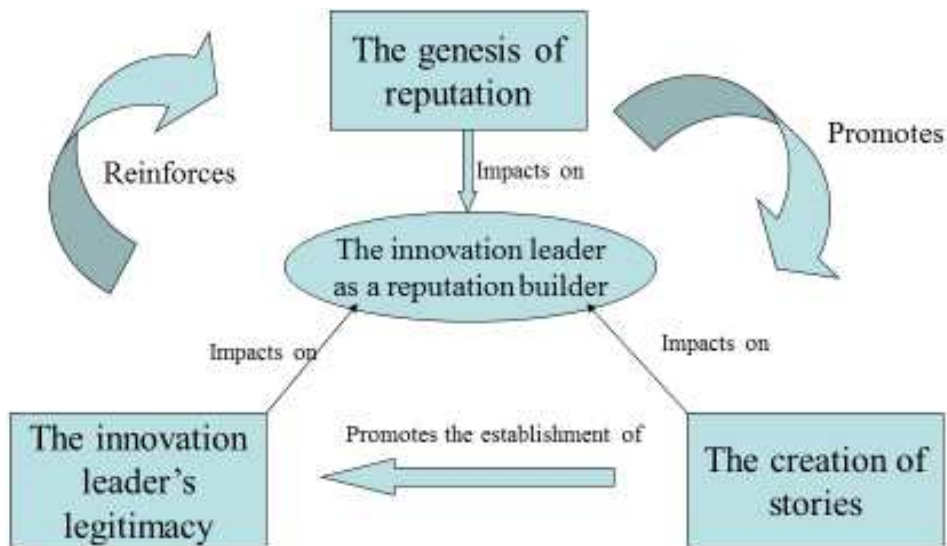


Fig. 3. The innovation leader as a relationship builder

**3.3. The innovation leader as a relationship builder.**

We know that the entrepreneur’s network is critical to success (Johannessen, 1990, p. 41). Hence, it is reasonable to assume that the innovation leader’s network is important to his/her success. The innovation leader’s network may be understood as a pattern that activates resources for the projects in an organization. The resources represent the nodes in his/her network, and may consist of individuals, groups, institutions, capital, organizations, etc.

Through his/her network the innovation leader has access to social capital (Adler and Kwon, 2002), which facilitates the start of his/her projects and, thus, promotes innovation processes in an organization. Social capital in the network may be understood in many ways, including the value which the various relationships have for the innovation leader. It is reasonable to assume that the more key players the innovation leader has relationships to, the greater the likelihood of success. This general hypothesis is supported by Granovetter (1973, 1975), Coleman (1988) and Ruef et al. (2003), and can be explained by the fact that by expanding network contacts, the innovation leader will increase his/her access to information.

Another perspective concerning the innovation leader’s network and social capital is to look at the internal networks in an organization, and how these shape an innovation leader’s activities and actions. This approach is taken by Leana and Van Buren (1999), who have examined social capital on the basis of relationships among members of an organization.

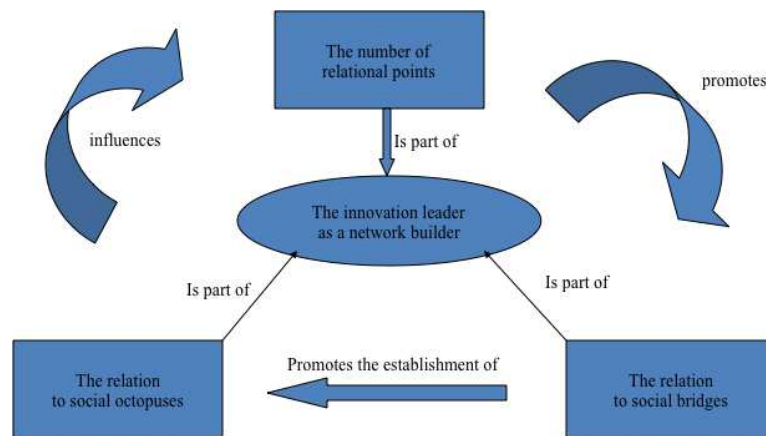
The disadvantages of strong links, in both internal and external networks, may be related to restrictions being placed on the access to the ideas, information and knowledge that exist outside tightly connected

networks. In this context, Granovetter’s classic statement (1973) concerning the strength of weak ties is relevant, and especially applicable to innovation leaders. Recent research on innovation, especially open innovation models, confirms this view (Chesbrough, 2011; Kawasaki, 2010).

The strength of weak ties may be shown in social bridges from one tightly woven network to another, because this may increase the likelihood of access to resources. Networks may be understood from at least two perspectives: strong integrative networks and weak perforated networks (Johannessen, 1990). What makes a relationship strong versus weak is: “a combination of the amount of time, the emotional intensity, the intimacy, and the reciprocal services which characterize the tie” (Granovetter, 1973, p. 1361). The hypotheses that spring from this description are the following:

- ◆ The weaker the relationship, the greater the likelihood of opportunistic behavior.
- ◆ The stronger the relationship, the greater the likelihood of solidarity-oriented behavior.

Understood in the way described above, the innovation leader stands in a stronger position by linking to resources in a network, but at the same time balancing this against his/her contacts and relationships (social bridges) to other networks. We also know that some people have many more relationships to others than an average person, which Watts (2003) has termed “social octopuses”. It is important that innovation leaders come in contact with these social octopuses, because this will expand their access to resources which are required for successful innovation. The Figure 4 shows the innovation leader’s role as a network builder by showing components of the leader’s network capital.



**Fig. 4 The innovation leader as a network builder**

The three components shown in Figure 4: “number of relationship points”, “relation to social bridges” and “relation to social octopuses” function as social mechanisms that determine an innovation leader’s degree of success as a network builder. These three elements may also be used by stakeholders inside and outside an organization in order to allocate resources for the implementation of the innovation leader’s projects.

**3.4. The innovation leader as a creative force.** In this part, we will elaborate on the importance of an innovation leader to be a creative force which may stimulate and develop innovations in an organization’s creative energy fields. We opine that an innovation leader is dependent upon a management role which we have termed as the innovation leader as a creative force. We will argue for three driving forces which will influence this role; those of idea generation and development; to encourage the work of an organization’s rule breakers, and stimulate an organization’s flame of innovation. Nevertheless, first, we have to clarify what is meant by being creative.

Trott (2005, p. 5) argues that organizations have “to allow for creative thinking”. Nevertheless, the concept creativity is given different interpretations in the research literature. Illustratively, Amabile (1996, p. 272) argues that a product, service or response will be considered creative to the extent that it represents newness and is useful in solving problems. By building on Amabile (1983), we conceptualize that creativity in an organization is the “output of the coupling between an organization’s members’ motivation, their knowledge base, in particular, the tacit knowledge, and their creativity skills” (see also Johannessen and Skaalsvik, 2015, p. 90) Following this clarification, our idea here is that an innovation leader in order to fuel, stimulate and develop innovations at the enterprise level must take on an active role as “a creative force”. We will argue that the role is influenced by three factors; idea generation and development; an organization’s rule-breakers and an organization’s flame of innovation.

According to Johannessen and Skaalsvik (2015, p. 92), “wild” ideas are one important parameter for the creation and development of innovation in an organization’s creative energy fields. This condition may be linked to Maverick’s formulation of a “Second Law” expressing that “if you start up a new organization you better have an idea so radical that most people think it is crazy”. However, as a matter of fact, some “wild” ideas are, in fact, wild in the sense that they don’t have the potential to become successful product or services in their target markets. According to Hamel’s (2000) “Law of Innovation”, only two ideas out of a thousand (0.2%) have the potential to become a market success. In relation to this, obtaining success is dependent upon the idea’s linkage to an extreme customer focus (Johannessen and Skålsvik, 2015, p. 92). Thus, an important aspect here is that novel and unique ideas are transformed into products, services and solutions that create value for customers. In the context of organizations, “wild” ideas with a market potential are generated from those people who possess the ability, skills and competence of creative thinking. We term these individuals as an organization’s rule breakers.

The rule breakers in an organization’s are those people that represent *change* orientation and change capacity in an organization, and contrast the so-called contrapreneurs, i.e., those individuals that strive to maintain the status quo in order to maintain their positions and power in the organization. We perceive organization’s rule breakers as human resources which must be given a voice in an organization and that they are given freedom and possibilities to operate in the organization (Earls, 2007). Obviously, there is a risk that the rule breakers may be a source of irritation and frustration among other organization members by their behavior (Normann, 2004). In fact, by the rule breakers pressure on others, they may create turmoil and disturbance. Nevertheless, we opine that, in such situations, it is important that management treat the rule breakers with the required dignity and respect, as they are the change agents that possess the



competencies needed to move the organization forward (Earls, 2007). Obviously, an organization's rule breakers are creative individuals, but they often collaborate in internal and external networks which stimulate the creation of new and often "wild" ideas across organizational structures and functions (Hansen, 1999). This is beneficial in order to foster and develop innovations, because this stimulates the creation of creative energy fields in an organization (Johannessen and Skaalsvik, 2015).

We have argued that an organization's rule breakers represent human resources of value for an organization by their efforts to plan for and develop "wild" ideas which represent the fundament for the development of innovations. Nevertheless, in order to transform creative and "wild" ideas into products, services or solutions, we opine that as many as possible of an organization's members/employees should be given the opportunity to be involved in creative developmental processes. The core reason is that innovation rarely can be defined within the frames of a well-defined area, but shows up as "spin-offs" from other problem areas; an argument which is supported by Hamel's (2000) "Law of Innovation". This view is supported by Surowiecki (2005) who argues for the

value of *diversity* in making innovative decisions, because one can rarely know in advance what product, service or solution which will be a market winner (Ulwick, 2002). Diversity at the group level in an organization is obtained by establishing composite groups which consist of individuals with different background, skills and competencies. According to Surowiecki (2005), trying to initiate and develop innovations only by means of expert groups will most likely fail due to the risk of group-thinking and tunnel-vision (Janis, 1982). In fact, composite groups in their work behavior may effectively think and work outside established mental models which is required in idea generation and innovation processes. This view is supported by Sagasti (2004) who argues that it is the continual challenge to established thinking which enables an organization to maintain its dynamic features, i.e., to move forward by means of change initiatives and actions. Our conclusion in this part is that, in order to ignite the flame of innovation in an organization, management should encourage the establishment of composite groups who are allowed to work outside established mental models.

The Figure 5 shows three components which may affect the work of an innovation leader as a creative force.

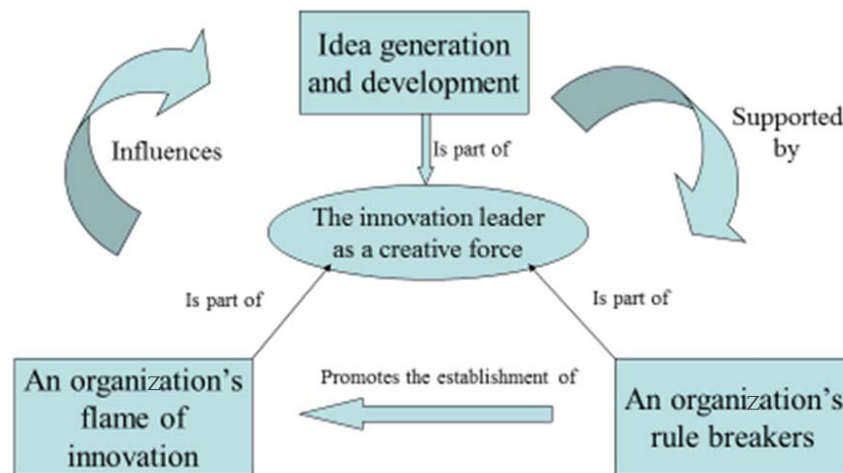


Fig. 5. The innovation leader as a creative force

#### 4. Discussion

The article addresses the following question: What management roles of an innovation leader may enhance the development of innovations in an organization's creative energy fields? We have answered this question by a discussion of four different roles of an innovation leader, which may impact on innovation performance in an organization's creative energy fields. The roles are conceptualized as the "innovation leader as an expert", the "innovation leader as a reputation builder", the "innovation leader as a network builder" and the "innovation leader as a creative force".

A conceptual model has shown how the different roles interact and impact on an innovation leader's performance in organizations creative energy fields.

As argued, an innovation leader must take on four distinct management innovation role in order to stimulate and develop innovations in an organization's creative energy fields. Nevertheless, the roles, although described as independently, they are linked together in a coherent way. We will in the discussion part argue that a synthesis of the four roles in coupled to the term *reputation* which, according to Roddick (2003), will be affected by the innovation leader's "spirit".

The innovation leader's "spirit" helps in establishing the innovation leader's reputation inside and outside an organization. It is not only the innovation leader's own reputation that contributes to an organization's reputation; its employees' reputation is also crucial to the shaping of an organization's reputation (Cravens and Oliver, 2006, p. 294). The shaping of the employees' personal reputation is dependent on the good name and reputation of each individual. Establishing and maintaining a good reputation, and repairing a damaged reputation, are all factors that contribute to the shaping of "personal reputations".

A good reputation is an invaluable resource for organizations as it is for individuals, because it is difficult for others to copy. On a personal level, a good reputation precedes a person like a messenger bringing good news. On an organizational level, reputation is a strategic factor that reduces competition (Hopes et al., 2003). The employees and management's reputation, thus, forms the basis for an organization's reputation, which, in turn, affects financial results (Sabate and Punte, 2003). If an organization has earned a good reputation, this will also positively affect the reputation of employees and management; conversely, if an organization's reputation is poor, this will also negatively affect the reputation of the employees and management. An organization's reputation directly and indirectly influences innovation processes and financial results (Sabate and Punte, 2003). If the financial results over a period of time are good, then, an organization's reputation will also be enhanced positively. However, if the financial results over a period of time are poor, this will negatively affect an organization's reputation, and also damage the reputation of those working for the organization. In this way, the employees and management's reputations function as an immaterial resource, which is essential is giving an organization a competitive edge (Cravens and Oliver, 2006, p. 296). Establishing and maintaining a good reputation, and repairing a damaged reputation, constitute a personal reputation. A personal reputation is critical to an organization's reputation, and an organization's financial performance. This relationship is shown by Carmeli and Tishler (2004), Sabate and De Quevedo Punte (2003), Roberts and Dawling (2002).

The reputations of employees and management and their interdependence, and the reputation of organizations, have been shown to influence financial performance (Gotsi and Wilson, 2001). However, less well known is the importance of reputation for resource allocation to innovation leaders and those who work in creative energy fields in an organization. This relationship is important regarding the ability to develop continuous innovations in organizations, as this article has attempted to show.

## 5. Implications

Success in the new knowledge economy requires continuous innovations in businesses (Sagasti, 2004; Gladwell, 2000; Hamel, 2007). In this paper, we have argued that innovation at the individual enterprise level is dependent upon an innovation leader taking on four roles in order to fuel and develop innovations in an organization's creative energy fields. The research has implications for practice, as well for theory in the area of innovation processes and development at the level of the individual enterprise.

Theoretically, the paper has contributed in several ways. First, the paper has clarified the role of creative energy fields in an organization as important areas for stimulating and developing innovations in an organization. Second, the paper has clarified and conceptualized four distinct roles of an innovation's leader which are needed for successful innovation performance. In relation to this, a circular model is suggested which is grounded on systemic thinking which depicts how the roles, directly and indirectly, effects the work of an innovation leader working in an organization's creative energy fields. Third, the paper contributes to the theoretical level by showing that the individual innovation leader's reputation constitutes a synthesis of the four roles, i.e., an innovation leader's reputation represents a foundation of the four management roles.

The research has practical implications as well. First, leadership is advised to examine where an organization's creative energy fields are located. Second, leadership is advised to give freedom to the members of the creative energy fields so they can exploit their creative ideas. One important issue here is to ensure that the creative members of an organization are not promoted to administrative and bureaucratic positions, because this will become a threat to the creation and development of creative energy fields. Third, as the member of the creative energy fields may be perceived as organization's rule breakers, leadership must give them opportunities to voice their views and opinions. Finally, leadership is advised to encourage the individual innovation leader to work within the frames of a role perspective exemplified here by four distinct innovation roles in order to fuel innovation processes and development in an organization's creative energy fields.

## Conclusions

This paper has posed one research question: what management roles of an innovation leader may enhance the development of innovation in organization's creative energy fields. The answer to this question has been to suggest, clarify and discuss four different roles of an innovation leader's which

may impact on an organization's innovative performance. The four roles are conceptualized as the "innovation leader as an expert", the "innovation leader as a reputation builder", the "innovation leader as a network builder" and the "innovation leader as a creative force". A conceptual model has been developed that shows how the different roles interact and impact on an organization's innovative performance (see Figure 1). In the discussion of the "innovation leader as an expert", we have found support in classic theories by Weick (1988, 1995) and Kirzner (1989). The core of the conceptual view of the innovation leader as an expert concerns three separate processes; those of "enactment", "sensemaking" and "awareness", which are illustrated in the Figure 2. In the discussion of the "innovation leader as a reputation builder", the core has been to argue for the linkages between three

construct: "the genesis of reputation", "stories about the innovation leader" and the "innovation leader's legitimacy" (see the Figure 3 for details). In the discussion of the "innovation leader as a relationship builder", the essence has been to argue for the importance of the innovation leader's network and access to social capital (see the Figure 4 for details). In the discussion of the innovation leader as "a creative force", the core has been to argue for the linkages between three constructs: "idea generation", "rule breaking" and "an organization's flame of innovation."

This study, in particular, contributes to an enhanced understanding of four different roles of an innovation leader, and their contribution to innovation performance in an organization's creative energy fields.

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