THE INTERACTIONS AMONG STRATEGIC LEADERSHIP, INNOVATIVE CLIMATE AND IDENTIFICATION WITH LEADER

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ABSTRACT

Currently, without strategic management, it is hard for companies to survive and compete with rivals. Keeping this in mind, recently companies have tended to invest more on innovation and give importance to innovative behavior. This can be achieved by demonstrating strategic leadership in organizations. The main purpose of this study is to reveal the interactions among strategic leadership, innovative climate and identification with leader.

To reach this aim, a quantitative research was conducted on 138 participants consisting civil, mechanical, computer, electrical, industrial and petroleum engineers from different companies in Ankara. According to the results obtained from the correlation analysis, it has been indicated that, strategic leadership has a significant and positive relationship with both innovative climate and identification with leader. Furthermore, on the basis of the regression analysis implemented in this research, it is understood that strategic leadership has significant, moderate and positive effects on innovative climate and identification with leader.

Keywords: Strategic Leadership, Innovative Climate, Identification with Leader, Leadership

STRATEGİK LİDERLİK, YENİLİKÇİ İKLİM VE LİDER İLE ÖZDEŞLEŞME ARASINDAKİ ETKİLEŞİMLER

ÖZET


Anahtar Kelimeler: Stratejik Liderlik, Yenilikçi İklim, Lider ile Özdeşleşme, Liderlik

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INTRODUCTION

The word ‘strategy’ is originated from Greek word of ‘strategos’. It is a military concept that is generated by the two words of ‘stratos’ and ‘ago’. Stratos means the ‘army’ and ‘ago’ is used for leading (Horwarth, 2006). The word is shared by both military and business organizations on the basis of rivalry. According to Kenichi Ohmae (1982) strategy gains meaning when rivalry is on the agenda. Therefore, it is obvious that strategy is essential for one party’s obtaining competitive advantage on other party.

Latest developments on information and communication technologies and transportation, and even new production tools and techniques create new factors in the business environment. Since in today’s work environment change is inevitable, it is an obligation to look for continuous improvement in organizations. In such an arrangement, organizations that have strategic leaders who gather, analyze and organize information, gain competitive advantage over rival organizations. Gaining competitive advantage can be achieved by a continuous environmental scanning for opportunities and threats (David, 2001). This process can be achieved by strategic management process used by strategic leaders of organizations (Ireland and Hitt, 1999).

Another point is that, innovation has become a dominant phenomenon in our knowledge economy era. In order to implement strategies appropriately and gain competitive advantage, top management should exert strategic leadership in a way that enhances generating new ideas and solutions. This can be achieved by generating an innovative climate in the organization. The objective of this study is to reveal the interactions among strategic leadership, identification with leader and innovative climate. The importance of this study comes from the congruence with strategic leadership and innovative climate. This is because both constructs help organizations to be more effective and efficient. These interactions are analyzed on the basis of upper echelon theory (Hambrick and Mason, 1984) and social identity theory (Tajfel, 1978).

1. LITERATURE REVIEW

On the way to explore the interactions among strategic leadership, identification with leader and innovative climate, gaining a brief insight into strategic management concept is a useful step. So, firstly strategic management will be defined and then as a process its stages will be mentioned. After that strategic leadership will be explored.

As the environment is windy, uncertain and complex, an important concern for managers is to cope with these difficulties by making plans. At this point, intensive global competition, technological developments and changing rules of economies oblige them to make strategic plans (Hax, 1982). Schendel and Hofer (1979) gave a depth in the business policy by putting the term of ‘strategy’ in the center of the controversy and forming the strategic management concept.

Strategic management makes it easy for organizations to develop the ability to deal with uncertain future by defining a procedure for achieving organizational goals (Bracker, 1990). Strategic management can be defined as, ‘a set of managerial decisions and actions that indicates the long-term performance of an organization’ (Wheelen and Hunger, 2012). Throughout the literature review, the concepts of strategic leadership, innovative climate and identification with leader will be analyzed in depth.

1.1. Strategic Leadership

Among the most important factors of long-term success of an organization are the strategic decisions. These strategic decisions generate the basis for strategic leadership. From
this point of view strategic leadership refers to making strategic decisions, which dedicate the whole organization to a determined target within a road map (Harrison and Pelletier, 1997). Strategic leader of an organization must take into consideration organizational strategy before taking action. This implies a more comprehensive skill set for a leader than a manager (Hosmer 1982). Pointing out this idea, for the first time Hambrick and Mason (1984) developed the concept of strategic leadership and explained it with the upper echelon theory.

According to the upper echelon theory (Hambrick and Mason, 1984), organizational strategy is affected by the leaders’ individual perception and discernment. Based upon the upper echelon theory, strategic leadership theory is developed with the assertion of the intellectual capacity and personality traits of the leader’s effecting the perception of information gathered from environment to make strategic decisions (Hambrick and Finkelstein, 1987).

Besides, upper echelon theory strategic leadership have also roots theoretically in the charismatic, transformational and visionary perspectives and the cognitive complexity and social intelligence approach (Conger and Kanungo, 1987; Hooijberg, Hunt and Dodge, 1997). According to these approaches, cognitively complex leaders are good at analyzing information gathered from the environment. Additionally, with the help of social intelligence approach, the capacity of the strategic leader to motivate the followers for adopting change to the chaotic and complex environment is underlined (Fiedler, 1995).

Furthermore, according to Summer (1980), strategic leadership consists of several functions:

‘(1) The integration of societal ethics with organizational ethics; (2) the alignment of philosophies regarding the roles of leader, society and organizational constituents and the enactment of those philosophies, (3) the alignment of the organization with respect to influence and power in society’.

In another definition, it can be understood that strategic leadership refers to indicating and embracing a vision and affecting and motivating followers in the organization to adopt to the vision and long-term objectives (Elenkov, Judge and Wright, 2005). In this process strategic leaders carry the responsibility of strategic thinking which assigns a direction for the organization to be flexible, to gain competitive advantage on rivals and coordinates followers on sharing the same feelings and motivation for a constant improve and change (Finkelstein, Hambrick and Cannella, 2008).

It has been an important topic in the literature of strategic leadership so far that who the strategic leaders are. Because the strategic leader is the one who carefully observes the environment and interprets the future, he/she makes strategic decisions on the basis of strategic vision and convinces and motivates followers to embrace the organizational strategies. According to one point of view, the strategic leaders are the top managers. These include chief executive officers, business unit heads, top management team and board of directors (Finkelstein, et al, 2008).

From this point of view, only top management is responsible for generating strategies for the organization to survive in the complex environment coping with uncertainty. This view brings a new discussion to leadership theories, highlighting levels of leaders. In contrast to leadership theories and approaches it limits the scope of strategic leadership to the top-level leaders. The reason is that strategic leadership generates an overall sense of direction that guides strategy formulation, implementation and evaluation (Hosmer, 1982).

In another discussion Shristava and Nachman (1989) are opposite to limiting strategic leadership to top-level leaders. Referencing their research, they dissert that strategic
leadership consists of all leaders who contribute to strategic management process. But if it is to weigh the both ideas for scope of strategic leadership, it seems a little bit more valid in today’s complex business environment that strategic leaders are among the top managers in an organization. The basis for this is, the nature of strategic leadership and the necessary skills of strategic leaders can be found on upper level managers. They are responsible for the organization as a whole, not partially (Boal and Hooijberg, 2000).

Pisapia (2006) have contributed to the strategic leadership literature by introducing the transformational leadership, managerial leadership, political leadership and ethical leadership as dimensions of effective strategic leadership. This is called as “strategic leadership model” of Pisapia. Scanning the literature, it was indicated that the fifth dimension of strategic leadership model was noted as communication skills (Pisapia, Morris, Cavanaugh and Ellington, 2011). In the field research of this study, this five-dimensioned construct will be accepted to measure strategic leadership.

1.2. Innovative Climate

The term ‘innovation’ has roots in early studies of Schumpeter (1934), which points out new products, new resources, new production techniques, new markets and new business management. Innovation can be generally described as a process in which ideas are generated by employees and implemented by both employees and the managers in order to solve unique problems (Van de Ven, 1986). These ideas may also be solutions developed by the people of the organization which can lead a knowledge creating process (Basadur and Gelade, 2006). In general, innovation process has the main steps of idea generation, adoption, implementation, development, control and feedback (Robertson, 1967). Innovation in the organizations may be generated as business innovation (Frankenberger, Weiblen, Csik and Gassmann, 2013), product innovation (Buijs, 2003) and process innovation (Hatch and Mowery, 1998).

Innovative climate can be defined as an organization’s members’ common sense of practices, experience, attitudes and behaviors which accelerate the development of new knowledge and solutions (Moolenaar, Daly and Sleegers, 2010). Among these practices and behaviors at the workplace there exist, generating creative ideas, changing traditional ways of getting things done and actively learning from everyone in and out the organization (Van der Vegt, Van de Vliert and Huang, 2005).

According to the literature review, it has been noted that innovative climate is vital for organizations because it helps knowledge sharing increase (Chen and Huang, 2007; Yu, Yu and Yu, 2013) which in turn positively effects performance of employees (Carmeli, Gelbard and Reiter-Palmon, 2013; Kang, Kim and Chang, 2008) and organization (Wang and Wang, 2012; Zack, McKeen and Singh, 2009). Hence, knowledge sharing and innovation is vital for a firm to perform high, strategic management and strategic leadership needs an innovative organizational climate to survive. For this reason the first hypothesis is as;

Hypothesis 1: Strategic leadership is positively related to innovative climate.

1.3. Identification with Leader

According to social identity theory (Tajfel, 1978), individuals come together in a group in order to express themselves in terms of shared values within the group. It is called organizational identification when a member express herself/himself through her/his organization (Mael and Ashforth, 1992). A recent concept of identification with leader has been developed in the same manner.

Identification with leader can be defined as, a member’s acceptance of the leader’s values, success and aims as her/his own values, success and aims (Shamir, Zakay, Breinin and
Popper, 1998). Identification with leader points out the congruence between the member and the leader. According to Kark, Shamir and Chen (2003), identification with leader enhances followers to activate their identities to share the similar values with the leader and to inspire their identities to change in accordance with the leader’s identity.

Throughout the related literature scanning, it has been identified that, moral leadership (Gu, Tang and Jiang, 2015), transformational leadership (Miao, Newman and Lamb, 2012; Wang and Rode, 2010), leader-member exchange (Huang, Wang and Xie, 2014) have positive relationship with identification with leader. Additionally, identification with leader is positively related with job performance (Walumbwa, Cropanzano and Hartnell, 2009), organizational citizenship behavior (Huang, et al., 2014) and employee creativity (Wang and Rode, 2010). Therefore;

Hypothesis 2: Strategic leadership is positively related to identification with leader.

Hypothesis 3: Identification with leader is positively related to innovative climate.

2.RESEARCH METHODOLOGY

In order to reach objective results, a quantitative research method was implemented to reveal the interactions between strategic leadership, innovative climate and identification with leader.

2.1.Sample

In accordance with the aim of this study, the sample was selected to consist of several types of engineers in different sectors such as, defense industry, construction, computer technologies, information technologies and energy in Ankara. There are examples of samples including engineers used by Bommer and Jalajas (1999) and Robben (1988) in order to measure innovative behavior in the workplace. The information about the research sample is given on Table 1.

Table 1. Descriptive Information About Participants

<table>
<thead>
<tr>
<th>Gender</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>28</td>
<td>20</td>
</tr>
<tr>
<td>Male</td>
<td>110</td>
<td>80</td>
</tr>
<tr>
<td>Occupation</td>
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<tr>
<td>Civil Engineer</td>
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<td>25</td>
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<tr>
<td>Mechanical Engineer</td>
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<td>21</td>
</tr>
<tr>
<td>Computer Engineer</td>
<td>26</td>
<td>19</td>
</tr>
<tr>
<td>Electrical Engineer</td>
<td>23</td>
<td>17</td>
</tr>
<tr>
<td>Industrial Engineer</td>
<td>19</td>
<td>14</td>
</tr>
<tr>
<td>Petroleum Engineer</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-30</td>
<td>32</td>
<td>23</td>
</tr>
<tr>
<td>31-40</td>
<td>51</td>
<td>37</td>
</tr>
<tr>
<td>41-50</td>
<td>29</td>
<td>21</td>
</tr>
<tr>
<td>50+</td>
<td>26</td>
<td>19</td>
</tr>
<tr>
<td>Education Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelors Degree</td>
<td>97</td>
<td>70</td>
</tr>
<tr>
<td>Post Graduate Degree</td>
<td>41</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>100,0</td>
</tr>
</tbody>
</table>
2.2. Validity and Reliability of Scales

2.2.1. Strategic Leadership Scale

Strategic leadership scale used in this research had been originated by Pisapia, Reyes-Guerra, and Coukos-Semmel (2005), adopted and firstly translated into Turkish by Uğurluoğlu (2009) and validated by i.e. Pisapia and Pang (2013) and Uğurluoğlu, Çelik and Pisapia, (2010). Among the various scales for measuring strategic leadership, the most recent and up to date version was translated into Turkish and adopted as 34 items by Kılınçkaya (2013) which was a Likert-5 type scale.

In this study, according to the factor analysis, it was identified that all 34 items had factor loadings bigger than 0.500. It was revealed that strategic leadership had five subdimensions which were, “transformational applications (leadership)”, “managerial applications (leadership)”, “political applications (leadership)”, “communication skill”. The Cronbach’s alpha was measured .96 for “transformational”, .84 for “managerial”, .86 for “communication”, .94 for “political” and .87 for “ethical” subdimensions of strategic leadership by Pisapia and Pang (2013). It was also noted by Kılınçkaya (2013) .92 for “transformational”, .82 for “managerial”, .86 for “communication”, .86 for “political” and .84 for “ethical” dimensions of strategic leadership.

In this research cronbach’s alphas for “transformational applications”, “managerial applications”, “political applications”, “ethical applications” and “communication skill” subdimensions are .85, .80, .77, .88 and .90 respectively. A sample item from the measure was “My manager generates policies and strategies.”

2.2.2. Innovative Climate Scale

Innovative climate scale used in this study, was adopted by Zhang, Zheng and Darko (2018) which was generated by Liu, Shi and Zhang (2009) and Zhang, Yu and Li (2016). The scale had nine items measured by Likert-5 type. According to the factor analysis, it was identified that all 9 items had factor loadings bigger than 0.500 with one component. The Cronbach’s alpha was measured .90 by Zhang et al. (2018) whereas it was measured .81 in this study. Among the sample items were “The organization awards the members for the innovative ideas” and “My manager encourages us to propose solutions to improve the production or service.”.

2.2.3. Identification with Leader Scale

Identification with leader scale was developed by Shamir et al. (1998). This measure consisted 5 items again measured by Likert-5 type. After applying factor analysis, this scale was also indicated to consist one component. Shamir et al. (1998) found the internal consistency, Cronbach’s alpha .90 and Gu et al. (2015) also found the same result whereas in this study it was measured as .83. Sample items of the scale were “My manager represents values which are important to me.” And “My manager is a model for me to follow.”

3. RESULTS AND DISCUSSION

Data was analyzed with the help of SPSS 20.0 programme. After applying normality test of Kolmogorov-Smirnov, it was understood that the distribution was normal. Therefore, in order to reveal the correlations among the variables Pearson correlation was tested. The results are shown at Table 2.
According to Table 2, transformational implications ($r=0.65; p<0.01$), managerial implications ($r=0.40; p<0.01$), political implications ($r=0.31; p<0.01$), ethical implications ($r=0.25; p<0.01$) and communication skills ($r=0.47; p<0.01$) have significant and positive relation with innovative climate. As understood, strategic leadership is positively related with innovative climate, thus $H_1$ is supported. Among these, the most powerful positive relationship is witnessed between transformational leadership and innovative climate. This may be because transformational leadership helps members change in a positive way. Also innovative climate is supported by being flexible and change-oriented. The weakest link occurred between ethical leadership and innovative climate. This is because ethical leadership practices does not primarily focus on creating new ideas and solutions. It is rather focused on ethical values, employee rights and fairness (Brown and Treviño, 2006).

By the same token, transformational implications ($r=0.58; p<0.01$), managerial implications ($r=0.48; p<0.01$), political implications ($r=0.35; p<0.01$), ethical implications ($r=0.41; p<0.01$) and communication skills ($r=0.39; p<0.01$) have significant and positive relation with identification with leader. For this reason, $H_2$ is also supported. Here again the most powerful positive relationship takes place between transformational leadership and identification with leader. The rationale behind this may stem from the followers’ admiring the leader and accepting the leader’s mission and vision as himself/herself.

Another issue in the correlation analysis is the relationship between innovative climate and identification with leader. According to Table 2, there is a significant and positive relationship between innovative climate and identification with leader ($r=0.32; p<0.01$). When there is an innovative climate in the organization, members identify more themselves with their leader.

To reveal the effects of strategic leadership on innovative climate and identification with leader, regression analysis was conducted. The results are demonstrated at Table 3.

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**Table 2. Correlations among variables**

<table>
<thead>
<tr>
<th>Variable</th>
<th>X̅</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Transformational Implications</td>
<td>3.21</td>
<td>1.09</td>
<td>.85</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Managerial Implications</td>
<td>3.89</td>
<td>0.98</td>
<td>.62</td>
<td>.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Political Implications</td>
<td>3.04</td>
<td>1.75</td>
<td>.53</td>
<td>.48</td>
<td>.77</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Ethical Implications</td>
<td>4.13</td>
<td>1.34</td>
<td>.72</td>
<td>.44</td>
<td>.28</td>
<td>.88</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Communication Skills</td>
<td>3.70</td>
<td>1.18</td>
<td>.47</td>
<td>.51</td>
<td>.49</td>
<td>.39</td>
<td>.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Innovative Climate</td>
<td>3.56</td>
<td>0.88</td>
<td>.65</td>
<td>.40</td>
<td>.31</td>
<td>.25</td>
<td>.47</td>
<td>.81</td>
<td></td>
</tr>
<tr>
<td>7. Identification with Leader</td>
<td>3.15</td>
<td>1.92</td>
<td>.58</td>
<td>.48</td>
<td>.35</td>
<td>.41</td>
<td>.39</td>
<td>.32</td>
<td>.83</td>
</tr>
</tbody>
</table>

*p<0.05. **:p<0.01. ***:p<0.001.
Table 3. Regression Analysis

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>$\beta$</th>
<th>$R^2$</th>
<th>$p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Leadership</td>
<td>Innovative Climate</td>
<td>0.428</td>
<td>0.580</td>
<td>0.000***</td>
</tr>
<tr>
<td>Strategic Leadership</td>
<td>Identification with Leader</td>
<td>0.379</td>
<td>0.396</td>
<td>0.000***</td>
</tr>
</tbody>
</table>

*p<0.05. **:p<0.01. ***:p<0.001.

According to the regression results shown at Table 3, strategic leadership has a significant and positive effect on innovative climate ($\beta_{SL}=0.428$, $p<0.001$). This means when strategic leadership implications occur in an organization, the climate of the organization will be more innovative. Similarly, strategic leadership also has a significant and positive effect on identification with leader ($\beta_{SL}=0.379$, $p<0.001$). When the leader demonstrates strategic leadership in an organization, members or followers tend to identify themselves with the leader more.

CONCLUSION

It has been tried to reveal the interactions among strategic leadership, innovative climate and identification with leader throughout this study. Strategic leadership can be best implemented by focusing on orienting and coordinating the assets of the organization, primarily human asset, to obtain sustainable competitive advantage and also reach the long-term goals and objectives. Responsible for formulating and implementing strategies of the organization, strategic leaders play a vital role increasing organizational long-term performance by setting a vision. Not only setting a vision but also adopting it to the followers in the organization is a part of strategic leadership. Achieving this, long-term goals and objectives will be parallelized with organizational performance. Furthermore, the more uncertain and complex the conditions are, the more ambiguity takes place. Making strategic decisions and adopting it to followers and motivating them about the strategies may decrease the level of uncertainty, which will employ success in strategic decisions and actions. For this reason today’s organizations are in need of strategic leaders making this possible in such an environment in which rapid change occurs, the level of complexity and uncertainty is high.

With the help of this research, it is indicated that strategic leadership and its sub dimensions of “transformational applications”, “managerial applications”, “political applications”, “ethical applications” and “communication skill” have positive relationships with both innovative climate and identification with leader. According to the results obtained from this study, when the manager or supervisor in the organization or group demonstrates strategic leadership, members or followers tend to express themselves more in terms of their leader. And when they are more identified with the leader, their job satisfaction and performance will increase.

Furthermore, especially in today’s uncertain, chaotic and complex environments, the strategic leader is the one who leads organizational change and sustain the flexibility of the organization. Adopting to change can be successfully leaded by strategic leaders if only it consists of members from all levels in the organization. Adopting to rapid and continuous change can be best achieved by being flexible. As understood, strategic leaders are expected to enhance flexibility all over their organizations and to keep up with the innovations and technologic developments. Hence, promoting innovative thinking among employees and supporting them generating new ideas and solutions for complex problems will help the organization eliminate the rivals in the system. Briefly, the process of strategic leadership should consist of generating road maps called as strategies to survive, gain competitive advantage, reach long-term goals and objectives and increase organizational performance.
This can be achieved if only followers from all levels of the organization are oriented towards these strategies and motivated to act compatible with them, identified with their leader and enabled innovative climate.

REFERENCES


