

Chapter 2

Application of the Effective Innovation Leadership Model in a Digital Innovation Project: Case Study

Sabrina Schork

esn. Institut, Germany & Technical University Aschaffenburg, Germany

ABSTRACT

Germany has become sedate and partially missed digital opportunities generating value. Since 1995, the term innovation leadership is getting increasing attention. Still, there exists no clear definition. The effective innovation leadership (EIL) model resulted from a Ph.D. thesis and is grounded in the iteration of six data sets. It has been used in industry since 2014. This chapter examines the application of the EIL model in one German middle-class enterprise in 2018/2019. Core challenges in the systemic context, which hinder the effectiveness of innovation leadership in the organizational context, are the support of people across functions and hierarchies as well as inflexible structures and digital access. Especially negative pressure coming from an overvaluation of the shareholder, egos fighting for power, extensive drama triangular, fixed mindsets, and freeloaders hinder the effectiveness of innovation leadership. A comparison of the EIL model with rival theory shows that innovation leadership is close to entrepreneurial approaches and an integral part of innovation management.

INTRODUCTION

Germany, the land that had very fast cycles of invention in times of high industrialization has become sedate (Welt, 2019). Especially German family-owned business that generate a large share of wealth in Germany (Statista, 2017b) partially missed the opportunity to use the digital change to generate value. The federal government adjusted its infrastructure late in international comparison (Bundesregierung, 2019; FAZ, 2018). China and the US seem to have left the rest of the world behind (Bertelsmann Stiftung,

DOI: 10.4018/978-1-7998-5171-4.ch002

2019). If you believe the IDC predictions, the world needs to prepare itself for the digital innovation explosion (IDC, 2019). Particularly research-intensive and knowledge-intensive companies are looking for new, collaborative, and holistic approaches increasing their (digital) innovation competencies.

In the following book chapter, the construct of effective innovation leadership is explored from various perspectives, enriching the groundwork from Crawford and Kelder (2019), Scharmer (2019), as well as Kaudela-Baum et al. (2014) and adopted in a digital innovation project.

In detail, the procedure follows six steps: First, there is a historical overview of the concept of innovation leadership. Second, the author presents the EIL-Model and explains its emergence. Third, the significance of medium-sized and family-run enterprises in Germany is worked out. Fourth the reason why a case study as the methodology was adopted and a paper-industry case study executed. Fifth, after compiling the findings from the case study, these are compared with related entrepreneurial theories (sixth).

Finally, the findings are summarized, critically discussed, and limitations and future research efforts are listed.

INNOVATION LEADERSHIP

In order to provide a reasonable basis for effective innovation leadership, the main definitions follow.

Amabile (1983) defines **creativity** as the ability of an individual or group to think and act in an imaginative and shaping way to generate novel and useful ideas or solutions to problems.

Inventions are creative achievements based on the application of technical knowledge. **Innovations** in economics are associated with technical, social, or economic change (Gabler, 2019a).

While **innovations** are improvements of the existing without claiming uniqueness or intelligence, **inventions**, on the other hand, produce something new, which is the result of intelligence and goes beyond the obvious. Another criterion of the invention is “surprise” (Potts, 1943).

Innovation Management is a core business activity that is primarily geared to the characteristics of an innovation and thus combines management aspects. Operational innovation management aims at increasing the value of a company. This purpose is achieved by a novel combination of means and purposes, which is expressed in designing new products, process, service, or organization such as a corporate network. The Austrian economist Schumpeter (1883-1950) already pointed to most of the purposes, who also characterized the purpose of innovation management as “creative destruction,” i.e., the replacement of an existing one with something better (Gabler, 2019c). The scientists Adams et al. (2006) synthesized a framework of the innovation management process consisting of seven categories: inputs management, knowledge management, innovation strategy, organizational culture and structure, portfolio management, project management and commercialization.

While **innovation management** looks at and addresses several levels of an organization, **innovation leadership** refers to the space of action of an individual who is involved in an organizational context.

Taking a closer look at the term **innovation leadership**, we note that it was first named in 1995 (Rogers 1995) and defined in 2000: Murphy & Murphy (2002), Bossink (2004), Gliddon (2006), Carmeli et. al (2010), Hunter & Cushenbery (2011), Rosing et al. (2011), O'Reilly and Tushman (2013), Kaudela-Baum et al. (2014), Gliddon (2018). The following Table 1 aggregates the spectrum of varying definitions.

There exists no clear and unambiguous definition for the term »innovation leadership«. Innovation leadership was already discussed in the context of leadership style such as ambidextrous, authentic, transactional or transformational leadership (Alsolami et al., 2016) and in the context of diverse man-

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