

The Role of Transformational Leadership and Business Culture in Creating Innovation Climate: A Research in Automotive Companies

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Abstract

Leadership is to orient and promote individuals for a specific purpose. Transformational leadership is the one who initiates change that makes employees believe in innovation and change. The transformation of the transformative leader in the formation of innovative culture in enterprises, creativity, interactivity and so on. Besides the features of the company's existing culture is gaining importance. Because the culture of innovation is shaped as a sub-dimension of the existing culture. It is the atmosphere that is formed by culture, senior management and employees, which also involves the working style and processes that direct the employees' attitudes and behaviors. Culture in this context; it is a feature that distinguishes the enterprises from each other and is shared among the employees through certain values, beliefs and behaviors. The culture of innovation is the adaptation of the behaviors and attitudes of the employees with the innovative processes and objectives. In a way, Heracleous (2001) states that changes in culture are positively associated with innovative behaviors. The aim of this research is to examine the effect of transformational leadership and culture in creating the innovation climate. So a qualitative study was carried out with fifteen top managers of companies implementing innovation at automotive sector which using innovative methods in production and design techniques in Turkey. According to the research results, transformative leadership and culture have a positive effect on the innovative climate in businesses.

Keywords –Transformational Leadership, Business Culture, Innovation Climate, Climate, Leadership.

I. INTRODUCTION

Factors such as increasing the imitation of products and services in the 21st century, global markets, social and cultural changes increase the importance of innovation for enterprises. These factors also change the leadership understanding in enterprises. Elements such as post-modern management styles, globalization and increased competition contributed to the formation of transformational leadership by requiring innovation [1]. Transformational leadership is dominant in cultures that promote the formation of a highly innovative and innovative culture. In such enterprises, complex problems are minimal and the level of employee contribution is at the highest level. Leaders who build innovative cultures make their followers (other employees) a model and become visionaries [2].

The dynamic nature of culture, sees the world as a transnational cultural link that allows new cultural changes and diversity through the process of cultural interaction [3]. In this context, culture has been used as the universal name of the efforts of the societies in achieving a beneficial goal for themselves and the products they produce as a result of these efforts [4]. On the other hand, culture is a dynamic phenomenon [5], [6] that is expressed as the results of the beliefs, values, customs and interpersonal relations created by the community which affect the process and the outcome of the activities [7]. At this point, the leader is a focus point that

provides group interaction and draws the energies of the employees and collects them at some point [8].

The transformational leader directs the employees towards their business goals and enables them to exceed their personal expectations [9]. At this point, the characteristics of a transformational leader can be considered as follows [10]:

- To have a charisma that gives employees a sense of duty,
- To reach the important goals and objectives of the business by means of the symbols to be reflected on the employees,
- To alert the employees mentally, to ensure that they solve problems carefully,
- Ability to have empathy and guidance.

In another respect, there is no clear consensus on whether transformational leadership is necessary during the crisis or in the current situation. The transformational leader, however, directs the employees by giving them specific and objective and mental stimulation after impressive power. In this process, the transformational leader, with the guidance of employees working with them; It also contributes to the change of business culture. Thus, the leader, by creating a culture in the business, the change is widespread [11].

Innovative in terms of business; on the other hand, it causes the disappearance or reduction of enterprises that cannot adapt to the environment [12]. In a way, innovation is a response to changes in the external environment or a reflex to prevent the dangers that may come from the environment [13].

In the studies related to innovation, it was determined that the members of the organization should create their own subcultures. The subculture will develop within the boundaries of the organization and in relation to the organizational culture and give a dynamic perspective to the relationship between culture and innovation [14]. At this point, [15] believes that an environment in which diaelectric subcultures will positively affect innovation. In this case, listening and discussing new ideas will enable both to identify the problem correctly and to find a realistic solution to the problem. As a result, subculture provides flexibility by ensuring that the enterprise is internally in harmony with its surroundings [16]. According to [17], subculture facilitates the adoption of new ideas by staying within the non-eligible boundaries against the dominant culture; thus, it leads to the development of innovation [14].

The ability of enterprises to innovate depends on whether organizational cultures are innovative. Sustainable innovations, organizational cultures and culture of innovation, innovation and the ability to make sustainability is a formation [18]. At this point, an innovative enterprise must bear the characteristics of the culture of innovation [19]. In other words, it means an environment in which creativity and innovation become valuable, where continuous learning and knowledge are common [20]. In another aspect, the culture of innovation is open to new ideas by tolerating the error, and it influences creativity, continuous learning, autonomy, collectivism, flexibility and informal communication [21]. The aim of this research is to examine the impact of the current culture and transformational leadership in the formation of an innovative business culture. In this respect, a qualitative study was conducted with the senior executives of the automotive sector, where innovation and design were widely used.

It is necessary to consider the culture of innovation in the general culture of the society and the organizational culture. The innovative culture should be placed between these two cultures [18]. In this respect, it is important what employees think about innovation, not what they think about innovation; existing culture-related extensions play a critical role in creating a new culture dress [22].

II. METHOD

A. Research Sample and Method

The study was conducted by interviewing methods with 15 business executives operating in the automotive sector in Turkey. The enterprises were selected by the Istanbul Chamber of Industry (ISO) 2017 from the list of the largest automotive companies; In addition, written reports and documents related to innovation in web, press and publication reports are also taken into consideration.

The method of coding [23] as a research method was used to measure the qualitative data included in the research. He use two types of data as archives and current records, and encode them in three sections: application type, business type and opinions. In this research, firstly, general information about the establishment year, culture and leadership structure of automotive companies were collected (Table 1.). Afterwards, the opinions about the culture of innovation regarding the research purpose are given (Table 2.)

The opinions about the current culture of the enterprises and the type of leadership are shown in Table 1.

Table 1. The current culture of businesses and opinions on the type of leadership

Companies	Current Culture	Type of Leadership
A1	"..We aim to keep creativity and innovative products and services ahead of all our business and activities..."	"...Customer expectations are important to us, so continuous learning, teamwork and so on. applications and transformational employees are important to us.."
A2	"..We give importance to team work and customer satisfaction, which is a wide and effective communication network open to new ideas.."	"...our company executives are a good motivator, team player..."
A3	"... we have a culture where trust and respect are fundamental and everyone feels responsible.."	"...our kind of leadership is guiding, inspiring and encouraging common goals.."
A4	"..we have a participatory and innovative culture.."	"...We have a leadership structure that pioneers change and encourages efforts..."
A5	"..we reflect the effects of globalization and change in design. First of all, we make our employees believe in innovation..."	"...we work with leaders who are self-efficacious, producing logical solutions in the slightest..."
A6	"..nowadays customer expectations and needs are constantly changing, we first have participatory culture that takes the ideas of our employees.."	"...international coordination and visionary with self-efficacy.."
A7	"..we think that action and philosophy are intertwined. For this reason, first of all, we respect human expectations..."	"...mentor who creates the ability to produce intellectual in employees.."
A8	"..n all design and production processes, we ensure that employees act with the philosophy of help-responsibility and equality.."	"...channeling employees to collective aims and targets.."
A9	"... We believe in the culture of innovation. Therefore, our products and	"..Inspiring and basing design on a functional and logical account.."

	services confirm this opinion. We see our employees as the main source of innovation. We need design and R & D as we work mainly with mentors and mentors. We contribute to every employee. It is our philosophy of respect for people..”	
A10	“...an product design and customer satisfaction...”	“...leader of the idea..”
A11	“...we install a sense of responsibility and belonging to our employees. We create opportunities for awareness and awareness in new processes...”	“...who are sensitive to the needs of the employees and give importance to the information..”
A12	“...creativity, teamwork and sharing of ideas are dominant..”	“...develop competition psychology to create awareness in ideas..”
A13	“...we encourage innovation. We organize social events and project competitions with our employees..”	“...Motivating employees, achieving new and difficult goals....”
A14	“...we have an organic business structure, flexible and adaptable culture..”	“...Supporting team work, researching new needs...”
A15	“...beyond the standards to think, to be a pioneer is our culture. At this point, we primarily support our employees..”	“...encouraging, error tolerance, open to innovation...”

Table 2 also contains precursors for the current culture and transformational leadership that affect the culture of innovation.

Table 2. Encodings about Innovation culture and leadership

Companies	Innovation Culture	Transformational Leadership
A1	Creativity	Mental warning
A2	Team work	Inspiring
A3	Focus on the target	Guide
A4	Common sense of responsibility, participation	Charismatic
A5	Faith	Mind-stimulating
A6	Sharing ideas	Charismatic-Guide
A7	Respect for Human	Mind-stimulating

A8	Employee development	Charismatic
A9	Mentoring	Inspiring
A10	First customer employee	Charismatic
A11	Awareness	Mind-stimulating-guide
A12	Team work	Inspiring
A13	Project teams, active competitions	Inspiring-Guide
A14	Organic structure	Inspiring
A15	Standard thinking	Inspiring

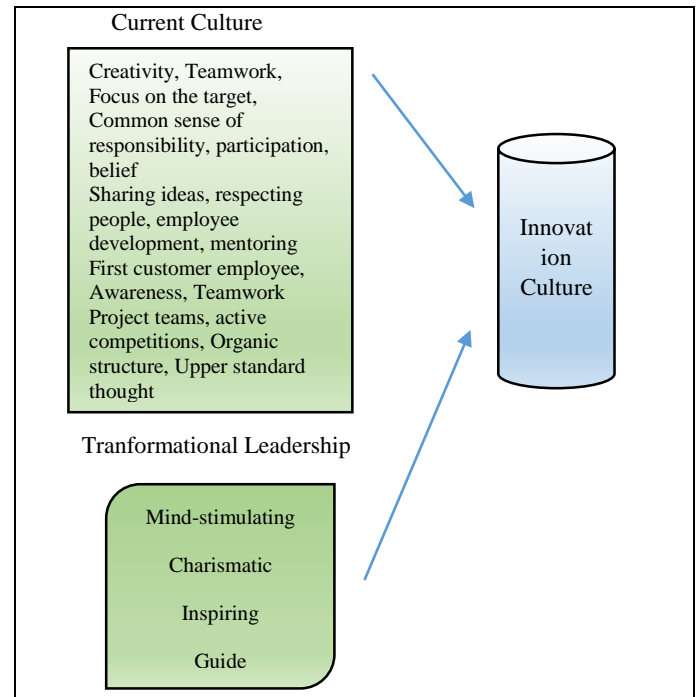


Figure 1. Innovation culture, transformational leadership and current culture

I. RESULTS

To be innovative and to ensure the application of innovation is the power source of enterprises. At this point, innovation as a culture has questions such as questioning, rewarding, tolerance to mistakes, taking risks. Automotive industry is the area where innovation is used most intensively. From design to production, all processes need to be different.

In this research, transformational leadership in the formation of innovation culture in automotive companies and the effect of the current culture were examined. According to the results, innovation culture active creativity, teamwork, focus on the target, common sense of responsibility, belief sharing ideas, employee development, mentoring, teamwork, teamwork, project teams, upper standard elements and transformational, charismatic, inspiring, guide” elements of transformational leadership.

II. DISCUSSION

Due to time and cost constraints, the study was conducted in only one sector. In subsequent studies, the impact of the culture of innovation in different sectors and production techniques can be examined. This should explore the significance of the results of the work, not repeat them. The results should be drawn together, compared with prior work

and/or theory and interpreted to present a clear step forward in scientific understanding.

III. CONCLUSION

Until 1950, the concept of innovation was not discussed in detail and became important in the last fifty years. In the 2000s, innovation is one of the basic conditions to sustain the existence of the enterprise.

In the study, it has been determined that the transformational leadership and the existing upper culture have an effect on the formation of the culture of innovation. So factors as innovation culture active creativity, teamwork, focus on the target, common sense of responsibility, belief sharing ideas, employee development, mentoring, teamwork, teamwork, project teams, upper standard elements and transformational, charismatic, inspiring, guide effect the innovative culture formation.

Nowadays, the effects of innovation are felt in many areas such as production techniques, logistics, marketing and human resources. At this point, the result is supported by a lot of research [24].

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