

Transformational Leadership And Radical Innovation In Industry: A Literature Review

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Abstract.

Leadership style can be defined as a behavior and strategy resulting from a combination of philosophies, skills, traits and attitudes often applied by a leader when trying to influence the performance of his subordinates. Transformational Leadership is a leadership style in which the leader can identify needed change, create a vision to guide change through inspiration and execute change with the commitment of group members. Similarly, innovation is a research, development and engineering activity that aims to develop practical applications, values, and contexts of new science or new ways to apply existing science and technology to a product or production. Radical innovation is a new product, service or technology developed by an organization that completely replaces a company's existing products, services and technology. The role of Leadership is very necessary considering that Leadership is considered one of the important factors influencing innovation because leaders influence organizational characteristics and motivate creativity in their followers, including Industry. A thorough understanding of state-of-the-art of Transformational Leadership and Radical Innovation is still needed. Therefore, this article aims to classify, identify scientific publications and conduct a thematic analysis of the current literature to create an extensive and detailed understanding of Transformational Leadership and Radical Innovation, especially in Industry.

Keywords: Transformational Leadership, radical innovation and Industry.

I. INTRODUCTION

Transformational Leadership is an interesting issue that needs to be researched (Hermawati, Suhermin, & Puji, 2019). This research on Transformational Leadership can have practical implications for a business or business. The role of leaders in a business or business is expected to have a positive influence and is indispensable in supporting the activities and flexibility of a business activity or business, including Industry. A world that has been hit by the Covid-19 pandemic and very few countries can avoid the Covid-19 outbreak must find solutions that work on a large scale. Work fast to achieve scale by streamlining the Innovation process. The Covid-19 pandemic event in 2020 is proof that the economic crisis has hit many companies, but even so, not a few industries survived compared to other businesses that were affected by the economic crisis in Covid-19 pandemic. The existence of Industry in industrial estates amid the Covid-19 pandemic, which has a strategic role in encouraging economic growth, has been determined to have been designated as a vital object by the government in order to carry out activities while improving its performance during the Covid-19 pandemic.

Many often imagine innovation as a necessity and will drastically bring about a big change and bring good to related industries in need. On the other hand, many established companies do not too often make radical innovations, considering that the strategy chosen must be in accordance with the company's business situation and organizational performance. In an industrial context, innovation includes two activities. The first is *research and development* (R&D), which is always related to technology. Second, is the business model. The success of an innovation depends on the integration of business models and technological change. Because innovation requires resources, competence and experience, it also requires coordination and synchronization efforts to turn ideas into products. So it becomes an interesting issue to discuss. Therefore, research is needed to determine research development to gain broader knowledge, especially on Transformational Leadership and Radical Innovation in an Industry.

II. LITERATURE REVIEW

According to Hasibuan (2011: 157), a leader uses his authority and Leadership to direct others and is responsible for that person's work in achieving a goal. Furthermore, Rivai (2012) said that a leader in an organization must have certain criteria, like a true leader. These criteria include;

1. Influence; A leader has supporting people who help raise the leader's name. That influence makes the leader follow and make others submit to the leader's orders.
2. Power; Others generally follow a leader because he has power that makes others appreciate his existence. Without the power or power that the leader has, no one wants to be his backer. The power and power that a leader has makes others will depend on what the leader has, without which he will not be able to do anything. This makes for a symbiotic mutualism relationship, and both parties feel mutually advantaged.
3. Authority; Authority can be interpreted as the right given to the leader to decide to implement a thing/policy. Authority can also be transferred to employees if the leader believes that the employee can carry out duties and responsibilities properly so that employees are entrusted to carry out without the need for interference from the leader.
4. Follower; A leader who has influence, power and authority cannot be said to be a leader if he does not have followers behind him who can support following the leader's words.

Transformational Leadership has a purpose for change. By Leadership, there is a movement to achieve goals by nature. Then the intended goal is changed. This change is assumed to be a change for the better, opposing the status quo and being active (Lensufiie, 2010). The same is true of Lensufiie's statement that Transformational Leadership is Leadership that creates positive change in followers, and they take care of each other's interests, as well as act in the interests of the group as a whole (Warrilow, 2012). According to Bass (Yukl, 2010: 313), Transformational Leadership is a state in which followers of a transformational leader feel trust, admiration, loyalty, and respect for the leader, and they are motivated to do more than they initially expected. So transformational Leadership is expected to impact companies, especially in Industry, positively. The ability to innovate is a vital core competency that a leader, entrepreneur or manager must possess to build a profitable business. Innovation is an effort to create a new product, or improve, improve and develop an existing one. From this terminology, innovation can be divided into 2 (two) types, an innovation that is developed in nature, known as incremental innovation and complete innovation, called radical innovation. Radical innovation involves the creation of technologies, services, and business models that open up entirely new markets. Radical innovation is the commercialization of products and technologies that strongly impact Companies with radical innovation capabilities that will create new business opportunities. Radical innovation is important for companies concerned with long-term growth and renewal (Leifer, O'Connor, & Rice, 2001).

In an industrial context, innovation includes two activities. The first is research and development (R&D), which is always related to technology. Second, is the business model. The success of an innovation depends on the integration of business models and technological change. Because innovation requires resources, competence, and experience, it also requires coordination and synchronization efforts to turn ideas into products. Radical innovation, therefore, plays an important role as it enables the Industry to achieve and maintain a competitive advantage and deliver high customer value. The concept of Industry explains the scope of Industry, including all production activities aimed at improving the quality of goods and services. In this case, Industry is a business unit that carries out economic activities that aim to produce goods or services located in a certain building or location with its administration regarding production and its cost structure, and there is someone or more responsible for the business. According to Law Number 3 of 2014 concerning Industry, Industry is an economic activity that processes raw materials, raw materials, semi-finished goods, and finished goods into goods with a higher value for their use, including industrial design and engineering activities. Similarly, according to Government Regulation 28 of 2021 concerning the Implementation of the Industrial Sector, Industry is all forms of economic activity that process raw materials and utilizes industrial resources to produce goods that have added value or higher benefits, including industrial services.

Furthermore, according to BPS, industry groupings can be grouped into 4 (four) groups according to the number of workers, namely:

1. Large companies or industrial businesses that employ 100 people or more.
2. Medium Industry is a company or industrial business that employs 20 to 90 people.
3. Small industries, namely companies or industrial businesses, employ 5 to 19 people.
4. Micro Industry, which is a company or industrial business that employs a workforce of less than five people.

III. METHODS

The methodology used in this literature review is to start by selecting 3 (three) research topics that are considered relevant and keywords used in conducting this literature review by using Google Scholar and Science Direct to find suitable journals published in 2020 to 2023.

The following are the findings generated from 3 (three) articles that have been reviewed, as shown in Table 1:

Table 1

Author & Year	Research Objectives	Method &; Participant	Result
Adnan M. Rawashdeh, Malek Elayan, Mohamed Dawood Shamout, Mohammad H. Saleh (2020)	To know the influence of transformational Leadership on employee performance through job satisfaction in the telecommunications sector in Jordan.	It is descriptive research using a structural equation model (SEM). The questionnaire collected data from 278 employees.	Demonstrate that transformational Leadership is significantly and positively associated with job satisfaction and employee performance.
Md. Nurun Nabi, Liu Zhiqiang, Marium Akter (2021)	Examining the Impact of Leadership on Radical Innovation in small industries in an Asian Context	It is descriptive research using a structural equation model (SEM). Questionnaire by collecting data from 304 employees.	Transformational Leadership positively impacts Radical Innovation.
Simranjeet Kaur Bagga, Shikha Gera, Syed Nadimul Haque (2022)	Explore the relationship between transformational Leadership, organizational culture, and change management among employees.	Descriptive and Explanatory Research by surveying 118 employees of Delhi-NCR Information Technology (IT)	Transformational Leadership and organizational culture are positively and significantly related to change management.

IV. RESULTS AND DISCUSSION

According to Burns (1978), Transformational Leadership is the mechanism by which managers and employees increase truth, drive, inspiration and determination in pursuing, acquiring and sharing knowledge. Transformational Leadership helps subordinates become more responsive to the value and importance of work, making needs higher and directing subordinates to be more interested in the company (Al-event, 2017). Furthermore, it usually generates the trust and respect of subordinates towards the leader and inspires them to give more effort beyond their ability (Shahab and Nisa, 2014). Brown (1994) argues for the contribution of Transformational Leadership in the new technological revolution to be like Radical Innovation. Transformational Leadership significantly affects change management; as stated by Cascio (1995), considering globalization and increasing workforce diversity in organizations, there is a need to develop Transformational Leadership styles, skills, and competencies. Cascio suggests that today's dispersed organizations require a Transformational Leadership style. So this research contributes to the transformational leadership styles that develop and are needed in organizations. Therefore, it is necessary for organizations to have a good culture and readiness for employee change, where change is only possible when an organization has a good leadership style.

The interaction, association and collaboration between creative and innovative employees and Leadership reflects the diversity of leadership practices. Transformational leaders support employees by improving subordinates' morale, engagement, motivation, work efficiency, performance and productivity. Similarly, Transformational Leadership encourages colleagues to be able to produce outstanding results.

Furthermore, experts are used to link the influence of transformational leaders with the individual development of creativity and innovation. A study exploring the relationship between innovation and Transformational Leadership (Howell & Higgins, 1990) shows that Transformational Leadership indirectly gives through encouragement, motivation, intellectual stimulation, behavioral moderation, personalized mentoring and individual influence to drive Radical Innovation.

V. CONCLUSION

Based on the results that have been carried out in this literature review, where the author has summarized and reviewed the three articles published by the *Journal "The mediating role of organizational culture: Transformational Leadership and change management in virtual teams"*, the *Journal "Transformational leadership and radical innovation for sustainability: the mediating role of knowledge management capability and moderating role of competitive intensity"* and *Journal of Job satisfaction as a mediator between transformational Leadership and employee performance Evidence from a developing country"*, then some of the content of the material discussed in the three articles are considered quite relevant to this literature review.

In conclusion, to improve competitiveness and good performance in the Industry, it is necessary to apply the concepts of Transformational Leadership and Radical Innovation that can positively influence Industrial activities to survive and compete in business competition. The role of Transformational Leadership and Radical Innovation is indispensable in providing influence to support industrial activities. Furthermore, this research is expected to encourage the emergence of other studies related to Transformational Leadership and Radical Innovation in the Industry.

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