

# **Leadership as a means of cultivating innovation: analogue people in a digital future**

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This research considers the role of leadership and innovation within a business context in order to explore the impact of both upon the cultivation of new innovative behaviour. In key United Kingdom (UK) Government reports, including the Industrial Strategy (2017) and Business Productivity Review (2019), it has been observed that UK businesses need to innovate successfully to stimulate growth. Therefore, to boost the economy, and to ensure that national growth targets become achievable, the relationship between leadership and innovation needs to be more fully understood. This research is therefore an important and timely study.

The role of innovation within Small and Medium Sized Enterprises (SMEs) is of particular interest. Such innovation may include technological and management innovation, and includes adapting to market conditions through collaborative knowledge transfer. Such adaptability is crucial in times of market changes when it becomes vital for businesses to evolve and respond to market conditions if they are to thrive. This is important in the context of this study as it demonstrates that innovation is a critical process for organisations to enable them to be responsive and adaptable to changing market needs, and where successful this can act as a driver to boost the economy. The EU definition of SMEs has been used for this research in which the maximum number of employees is 250.

Importantly, the role of leadership within this scenario provides a focal point for establishing how management can be used to cultivate work environments that may either stifle innovation, or encourage it to flourish. Issues previously identified reveal that there is a clear need for specific research relating to leadership and innovation, from the perspective of the UK SME context, to more fully understand the synergy between them, and the tensions that may also be apparent.

This research is therefore focused upon an amalgamation of three topics which will be critically reviewed in unison, these being 1) innovation - different types of innovation are considered; 2) leadership – relevant leadership theory and applications are presented; and

3) SMEs – the impact and drivers of innovation are discussed within the small business context.

From this initial study, an improved understanding of how leadership can influence innovation will emerge, and how the demands and limitations of SMEs can both simultaneously support and hinder this process.