An investigation to the relationship between transformational leadership and innovation by mediating follower’s creativity at food companies (Lahijan industrial city)

Hossin Ganjinya (PHD)\(^1\), Morad Rezaee Dizgah (PHD)\(^2\), Amin Rahmdel \(^3\)

1. Professor Associate, Islamic Azad University, Rasht Brunch, Guilan, Iran
2. Professor Associate, Islamic Azad University, Rasht Brunch, Guilan, Iran
3. MA, Business Management, Islamic Azad University, Rasht Brunch, Guilan, Iran

**Corresponding Author email:** maryampornemat@yahoo.com

**ABSTRACT:** Today’s organizations increasingly face to dynamic environment, and for survive at such organizations firms had to compatibility to these changes. The aim of this project is an investigation to the relationship between transactional leadership and innovation according to follower innovation. Statistical society is Lahijan’s food industry. Sample was 29 manufactures. Questioner distribute among top managers and 2 middle managers. So, 86 questioners are used for analysis. Analysis was done by Pearson correlation. Result indicated that transactional management has significant relationship to organizational innovations directly and indirectly.

**Key words:** transactional management, creativity, innovation, firms

**INTRODUCTION**

Today’s world is more competitive than others. Competition is on the people’s layers life. People and organizations fight for limitation resource until reach to successful and gain their goals. Uncertainty and instability get it more difficult that change can limit organization authority. Today’s organization cannot mimic to others and simply reach to their gains and be successful. They always search for new opportunities which clandestin to competitors. Innovation led organization to such these opportunities. One which can offer new thought and implement it, not only accept environmental changes, but also can cause to change among environment that is necessary for organizational success (Gashtkar et al, 2009).

Researchers investigate the effect of transformational leadership on follower and organizational performance, but there is not any study about the effect of transformational leadership at follower’s creativity and organizational innovation. At the next, theoretical issues will stated, then at two following sections, finding and results will indicated.

**MATERIALS AND METHODS**

Innovation definition is mixed up to research and development significantly. Researchers cause to product new goods and services. There are several studies about innovation that indicate increase at research activities. Firms can gain competitive advantage and market share by research’s activities results. Innovation is main factor at organizational growth and survival. Different dimension was stated for innovation that totally defines by an activity that produce goods or among production chain (Correa et al, 2007).

Innovation is tool for organizational reinforcement, value and sustainable organizational competitive advantage among trouble environment and every day complexity. Firms which have more innovation, will be successful in face with environmental changes, and can create new capability for themselves. Innovation significantly depend on knowledge, experts, and human commitment which are main entrance to create value and innovation (Sadeghi and Mohtashami, 2011).
Among international competitive, firms should be innovative. Competition also depends on industry capability to innovation rate and its updates. Organizational research constantly related firms innovation, and peruse to more profits, high quality and market value (Pearsall et al,2008).

Innovation is the basis of firm competitiveness and economy. So, it is one of the most important and more effective resources on management performance. In 1980s, it is accepted that research and development units in organization are only way to evaluate innovation activities. If innovation and economic development appraise are according to technological innovation, it is possible to innovation will be the most important of firm’s issues. Organizational changes are not trivial because firms can imply innovation according this. Innovation measurement also is the most challenges issue for organizations (Tether and Tajor,2008).

Some researchers consider organizational innovation as information technology (IT). They categorize organizational innovation at information systems, and divided at 3 levels. These related to the task of operation level, business supporters, and organizational technology core. Innovation has 5 dimensions that are users, task, innovation, organizational and environmental characteristics. Another category of innovation are at 3 level: organizational, technological and environmental innovation (Shafiabady et al,2009).

The most effective factors on innovation are leadership at organization. Leadership is process to effect on others and encourage them gain organizational goals. Although most of managers are leaders and some of leaders are managers, leadership and activities are not same. Managers authority are official that were gain form their organizational positions, but leaders can influence on others performance that are not officials. Some of researchers offer other characters about leaders like, intellectual, social maturity, vast vision, motivation, and goal oriented person(Mohajery Parizy,2010).

Totally leadership style is behavior that leaders offer when guide people to reach organizational goals. Leader’s behavior is on 2 dimensions. First, attention to task, and second pay attention to human or indifference to forms tasks. Researchers offer different leadership styles, but the prevalent styles are transformational, transactional and Laissez-faire (Douct et al, 2009).

Transformational leadership is process of influence on peoples or groups to reach change at existing situation. Transformational leaders are effect by their performance and thought at followers. These leaders interested in their followers and encourage them to think beyond individual interests (Mogely,2003).

According to researches, transformational leadership has 4 dimensions that are as follow:
- Idealized influence
- Inspiration motivation
- Intellectual stimulation
- Individual consideration(Douct et al,2009).

At first, leaders cause to employees creativity, then create organizational innovations.

Creativity and innovation definitions often use each other, but most researchers make difference between them. They believed creativity as inner feeling and intellectual process that lead to new ideal, but innovation imply these ideas. Some of creativity definitions focus on intellectual activity that cause to new approaches. Other definitions focus on personal characters and people’s intellectual ability. In fact environmental creativity is significantly different from other creativity. It is defined by several factors that are attitude, skills, behavior, ability, technology, reinforcement, gain experiment process and external influence. If organizations want to encourage creativity, they should identify several factors. It is allowed to managers that focus on creativity (Mostafa,2004).

Among competitive markets and turbulent world, organizational innovation is the only way for firm’s survivals. Researches indicates that just transformational leadership cause to creativity among employees, then create organizational innovation it is also stated transformational leadership make employee’s creativity by inner motivation, Psychological reinforcement, and perceived innovations and offer new ideas. Implementation of ideas calls organizational innovation. Fig 1 shows research conceptual framework.
According to research models, research hypothesis are:

Transformational leaders have significant relationship with follower’s creativity at Lahijan industrial city's firms.

Transformational leaders have significant relationship with organizational innovation at Lahijan industrial city’s firms.

Transformational leaders by mediating follower’s creativity have significant relationship with organizational innovation at Lahijan industrial city’s firms.

Transformational leaders by mediating inner motivation have significant relationship with follower's creativity at Lahijan industrial city’s firms.

Transformational leaders by mediating psychological reinforcement have significant relationship with followers creativity at Lahijan industrial city’s firms.

Transformational leaders by mediating perceived innovation has significant relationship with follower’s creativity at Lahijan industrial city’s firms.

Social statistics consists of food companies at Lahijan industrial city that are 30 units. According to Kokran formula, samples were 29.3 questioners were distributed to each firm that evaluate scriteriabetter. Top managers, middle managers and sell managers filled the questioners. 87 questioners were delegated to researchers that among them 86 questioners were used for analyzing. However questioners return rate were 100 percent and its usage rate were 98 percent.

Data was gathered by questioners. Some of questioners extract form Duct et al (2010) research that had standard transformational questioner. Other part of questioner was gain form management research book and organizational behavior management by Moghime and Ramzani (2013). Data was analyzes by t-test and regression that use SPSS software.

**RESULT AND DISCUSSION**

In this section, we investigate research hypotheses. Research hypotheses analyzed at table1:

<table>
<thead>
<tr>
<th>result</th>
<th>sig</th>
<th>$R^2$</th>
<th>$R$</th>
<th>number</th>
<th>criteria</th>
<th>Hypothesis number</th>
</tr>
</thead>
<tbody>
<tr>
<td>accept</td>
<td>0/000</td>
<td>0/385</td>
<td>0/621</td>
<td>86</td>
<td>1. transformational leadership and creativity</td>
<td>First Hypothesis</td>
</tr>
<tr>
<td>accept</td>
<td>0/000</td>
<td>0/461</td>
<td>0/679</td>
<td>86</td>
<td>2. transformational leadership and organizational innovation</td>
<td>Second Hypothesis</td>
</tr>
<tr>
<td>accept</td>
<td>0/381</td>
<td>0/397</td>
<td>0/545</td>
<td>86</td>
<td>3. transformational leadership and creativity</td>
<td>Third Hypothesis</td>
</tr>
<tr>
<td>accept</td>
<td>0/345</td>
<td>0/439</td>
<td>0/554</td>
<td>86</td>
<td>4. transformational leadership and inner motivations</td>
<td>Forth Hypothesis</td>
</tr>
<tr>
<td>accept</td>
<td>0/346</td>
<td>0/442</td>
<td>0/432</td>
<td>86</td>
<td>5. transformational leadership and psychological reinforcement</td>
<td>Fifth Hypothesis</td>
</tr>
<tr>
<td>accept</td>
<td>0/132</td>
<td>0/267</td>
<td>0/542</td>
<td>86</td>
<td>6. transformational leadership and perceived innovation</td>
<td>Sixth Hypothesis</td>
</tr>
</tbody>
</table>
Table 1 indicated that all of hypotheses were accepted, and transformational leadership had direct and indirect effect on organizational innovation. Statistical analyzes indicated that correlation rate of all hypothesis is accepted at significant rate however, all research hypothesis are accepted. Transformational leadership has significant relationship with creativity. In other world, transformational leadership style effect on firm employee’s behavior.

Transformational leadership is kind of management style that pay more attention to people and followers. It causes to inspire their ability. Leaders try to encourage follower’s creativity by several ways. They offer a good model or clear way for doing jobs, and never confuses their followers. Sometimes, they force followers that experience new ways. Transformational leadership and followers creativity’s $R^2$ are 38/5%. It means, if transformational leadership imply completely, it can identify follower’s creativity until 38/5 percent.

Transformational leadership can influence follower creativity by inner motivation, psychological reinforcement and perceived innovations. Transformational leadership prognosticates follower creativity by 38/6% of inner motivation, 43/2% of psychological reinforcement, and 54/2% of perceived innovation. According to statistics, perceived innovation has more $R^2$ among others. It means when followers find top managers support their creativity, they have more motivation and offer creative idea. The more creativity support, the more creative people.

It can be conclude that transformational management develop organizational innovation by activate followers creativity. Statistical analyzes shows that transformational management foretells 42/2% of organizational innovations.

**REFERENCES**


Shafiabady H, Jalili A, Khatamy A. 2010. the role of organizational innovation at e-business at Car industry (case study Iran Khodro company), No.21, pp.11-20.