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# METHODICAL PROVISIONS OF CHOOSING THE LEADERSHIP STYLE FOR INNOVATION ACTIVITY MANAGEMENT

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Abstract — This paper describes the methodical provisions of choosing the leadership style for innovation activity management, which include determinants of leadership style and principles of choosing the leadership style for innovation activity management.

*Key Terms* — leadership, leadership style, innovation, innovation activity management.

Managing innovations is very challenging in contemporary business conditions. First of all, that is because innovation processes are barely predictable as are mostly related to new product, technology, method etc., introduced in new conditions. This means innovation managers each time face new, original tasks, where previous experience can be not really helpful.

Another point is that innovations is creative process, and, opposite to routines, people involved to innovations cannot guarantee its high performance even being instructed well and technically backed for doing their job. So these specific features of innovation processes require specific approaches to manage it.

Another specific feature of innovations is that it's key success factor is people. So the more effective human resource management for innovation activity is, the more motivated, creative, inspired, and, finally, the more productive innovators are. That means the necessity to shift from management to leadership. In turn, the way leaders deal with their subordinates is defined by the leadership style he or she uses. So it is important to make correct choice of the leadership style for innovation activity management.

But teams involved to innovation activity are usually cross-functional and even cross-cultural, consisting of employees with different culture imperatives, values, temper, etc. So not only different teams, but even different people within the same team require different leadership styles [4]. Moreover, analysis of fundamental works on leadership styles ([1; 2; 6; 7] etc) detects there is still no single approach to classify the leadership styles and to develop clear recommendations to choose the particular style in different managerial situations.

Aforementioned makes choice of correct leadership style for innovation activity management a difficult task. So in this paper we'll describe the respective methodical provisions.

The purpose of this research is to describe the methodical provisions of choosing the leadership style for innovation activity management by integrating determinants of leadership style and principles of choosing the leadership style for innovation activity management.

Methodical provisions of choosing the leadership style for innovation activity management integrate determinants of leadership style and principles of choosing the leadership style for innovation activity management, developed in papers [3; 4; 5]. Integrating aforementioned components, we've received such a result (fig. 1). So the driving force for choosing the leadership style for innovation activity management are respective principles. Following these principles, explained in work [4], and basing on contingency factors, the values (grades) for leadership style determinants are to be defined and so leadership style to be formed.

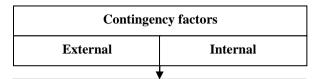
Contingency factors consist of 2 groups:

- external:
- internal.

External contingency factors include volatility, uncertainty, complexity and ambiguity (VUCA) of external environment (including macro- and microenvironment). We disclose the way to evaluate this factors in work [5].

## Principles to choose the leadership style for innovation activity management:

- 1. Optimal level of innovativeness.
- 2. Contingency approach to choosing the leadership style for innovation activity management.
- 3. Context orientation.
- 4. VUCA environment requires more innovations.
- 5. Focus on team, not on organization.
- 6. Environment has different effect on leadership style depending on the company's goals.
- 7. Leader should keep the balance between the discipline and agility, between processes and people.
- 8. Personal approach to subordinates.
- 9. Leader must develop innovative culture.
- 10. Filtered and unfiltered leaders have significantly different characteristics and can produce different leadership styles.
- 11. Innovation activity management is applicable not for R&D only.



### Leadership style determinants:

- 1. Delegation of authority and responsibility.
- 2. Decision making style.
- 3. Way of formulating the tasks.
- 4. Operational independence of employees.
- 5. Leader's consultation, support.
- 6. Confidence and trust in subordinates.
- 7. Rigidity or flexibility in internal procedures.
- 8. Work climate.
- 9. Communications distance, approachability of a leader.
- 10. Innovations acceptance.
- 11. The way how plans are communicated.
- 12. Motivational approach.
- 13. Way of subordinates' assessment and criticism.
- 14. Orientation on task or people.
- 15. Stimulation of intra-team competition or teamwork

Fig. 1. Methodical provisions of choosing the leadership style for innovation activity management

Internal factors, in turn, include:

- the level of strategy innovativeness of a company;
- stage of innovation process, the required level of innovativeness and creativity.

To conclude, it is necessary to say that suggested methodical provisions of choosing the leadership style for innovation activity management includes determinants of leadership style and principles of choosing the leadership style for innovation activity management, and is additionally based on external and internal contingency factors. Further researches must disclose how exactly contingency factors impact on choice of the leadership style for innovation activity management.

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