Recent Development on Entrepreneurial Leadership Capabilities and Innovativeness in Academic Libraries: A Review and Directions for Future Research

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Abstract

Entrepreneurial leadership offers an approach for library leader to be envisage, opportunistic, visionaries and influentials in facing the academic libraries transformation due to fiscal constraints and pressure to be distinctive. This paper aims to address issues related to the relationship between entrepreneurial leadership capabilities and academic library innovativeness by looking at the gaps from the previous studies. The Leader Member Exchange (LMX) theory of the leadership is use as the underpinning theory, as guidance and to support the conceptual framework and therefore focused on the dimensions of entrepreneurial leadership capabilities (strategic, communicative, personal and motivational) as factors that could explain innovativeness in academic libraries. This review is a first step for library managers to anticipate entrepreneurial leadership, to transform their organizations to meet the changing information and service needs of users, even while under fiscal constraints.

Keywords: Academic library; Entrepreneur; Innovation; Leadership; Literature Review

1. Introduction

In the last decade, academic libraries have faced drastic changes due to technological advances, the changing information-seeking behavior of library users, economic, and political influences. Several authors has pointed out that academic libraries must make dramatic changes by providing unthinkable value added services, creating new social library environment and becoming more innovativeness (Martell, 2000; Atkinson, 2001; Taylor, 1973).

As libraries continue to transform, often under fiscal constraints and pressure to be distinctive, and as they bridge old modes of work with new models, entrepreneurial leadership offers an approach in which directors envisage, find, seize, and exploit opportunities
(Carpenter, 2012). Cogliser and Bingham (2004), stressed that vision, influence (both of followers and of a larger constituency), planning, and "leading innovative/creative people" are relevant to entrepreneurial leadership.

Many recent studies had identified and investigate on the leadership styles and organizational change, which provide insight into the roles of these leaders in the innovation process (Jantz, 2012). However, limited studies have explored how entrepreneurial leadership styles affect innovativeness in academic libraries. The aim of this survey paper is to investigate the combined effects dimensions of entrepreneurial leadership capabilities on innovativeness in academic libraries by looking at the gaps from the previous studies. The main contribution of this paper is to address issues related to the relationship between entrepreneurial leadership capabilities and academic library innovativeness.

The remainder of this paper is organized as follows. Section 2 is the literature review. Section 3 discusses on the proposed research model. Section 4 discusses on the significance of research. Final section is a conclusion.

2. Literature review

The theoretical foundations of which, the leader member exchange (LMX) of the leadership style was spawned is contributed by the work of Graen and his colleagues (Graen and Cashman, 1975; Graen et al., 1982; Graen and Scandura, 1987; Graen and Uhl-bien, 1995) where the theory considered that high quality exchanges between leader and member have been found to have positive relations to innovativeness. The model as it stands describes how effective leadership relationships develop between dyadic “partners” in and between organizations (e.g., leaders and followers, team members and teammates, employees and their competence networks, joint venture partners, suppliers networks, and so forth) (Graen and Uhl-bien, 1995).

The LMX theory evolved in four stages namely; Stage 1 is the discovery of differentiated dyads; Stage 2 is the investigation of characteristics of LMX relationships and their organizations implications (e.g., outcomes of LMX); Stage 3 is the description of dyadic partnership building; and Stage 4 is the aggregation of differentiated dyadic relationships to group and network levels. The paradigm of the Leader Member Exchange (LMX) has widely been used by researchers in the last decade by suggesting that leadership competencies provide implications to organization. According to Graen and Uhl-bien (1995), many researchers have been conducted at Stage 2 where it is categorized as studies evaluating characteristics of the LMX relationship, and studies analyzing the relationship between LMX and organizational variables.

Many earlier studies have proven that the strength of leader-member exchange relationships can predict organizationally significant outcomes including performance related and attitudinal variables (Gerstner and Day, 1997: Graen and Scandura, 1987). These include higher performance ratings (Liden et al., 1993), better objective performance and higher overall satisfaction (Graen et al., 1982), greater satisfaction with supervisor (Duchon et al., 1986) as well as stronger organizational commitment (Liden et al., 2000; Nystrom, 1990). High LMX also leads to more effective communication (Fairhurst et al., 1987), job satisfaction (McClane et al.,
1991), citizenship behaviors (Deluga, 1998; Settoon et al., 1996) and lower retaliation behaviors of followers (Townsend et al., 2000).

Several studies have also extended the LMX theory and link it to innovation (Basu, 1991; Tierney, 1992; Scott, 1993). Earlier study on high quality dyadic relationships; Graen and Scandura (1987) had found that leaders may give their followers the levels of autonomy and discretion necessary for innovation to emerge. As demonstrated by Scott and Bruce (1994), the quality of the leader and followers relationship has significant positive associations with innovative behavior which also creates trust in the relationship (Liden et.al, 1997). With loyalty and trust, the working environment is made more conducive for followers to be innovative (Isaksen and Laver, 2002; Yperen, 2004). Effective LMX leaders also have impact on their subordinates as they encourage risk taking, provide greater job latitude and expect no routine behavior (Tierney, Farmer et al. 1999, p.595).

According to Drazin et al. (1999), innovation has become the key goal of many organizations because of its potentially significant impact on organizational performance. With the ongoing social and technological changes, Redmondu et al. (1993) argued that innovative efforts of individuals at the workplace have important impacts on organizational performance. They further posited that leaders who define group goals and control critical resources are able to create contexts and conditions that motivate followers to engage in innovative efforts to accomplish their goals. Studies found that it takes leadership to create a climate that is conducive to employees’ innovativeness and creativity (Amabile et al., 1996; Mumford and Gustafson, 1988).

The proposed study is using the LMX theory of the leadership as the underpinning theory, as guidance and to support the conceptual framework and therefore focused on the dimensions of entrepreneurial leadership capabilities (strategic, communicative, personal and motivational) as factors that could explain innovativeness in academic libraries. The study had drawn on LMX theory because of its positive and consistent relationship with innovation (Rosing et al., 2011) and LMX had also been proven to provide useful explanations of what factors contributed to innovativeness on the individual level (Dunegan et al., 1992; Sanders, Moorkamp, Torka, Groeneveld, & Groeneveld, 2010; Scott & Bruce, 1994; 1998) and on the group level (Le Blanc & González-Romá, 2012; Naidoo, Scherbaum, & Goldstein, 2008; Schyns & Day, 2010).

2.1 Entrepreneurial leadership capabilities

Entrepreneurial leadership are defined as leadership that creates visionary scenarios that are used to assemble and mobilize a supporting cast of participants who become committed by the vision to the discovery and exploitation of strategic value creation (McGrath and MacMillan, 2000; Kuratko and Hornsby, 2007; DuBrin, 2004) Covin and Slevin, 1989; Gupta, et al., 2004). According to Gupta et al. (2004) entrepreneurial leadership shares most of the transformational leadership principles in that the leader “evokes super ordinate performance by appeals to the higher needs of followers”.

An entrepreneurial leader focuses on team-oriented leadership that includes leader-member exchange theory (LMX), which studies leadership from the role theory and posits the
role development between the leader and his/her subordinates (Graen and Uhl-Bien, 1995). According to Agbim and Oriarewo (2012) previous studies have examined management, technological and personal entrepreneurial skills as sources of entrepreneurial capabilities. However, entrepreneurial leadership has not been sufficiently brought to the fore as a necessary capability that should be possessed by library leaders.

Nicholson (1998) studied on the personal characteristics that influence a leader’s entrepreneurial leadership capability. Entrepreneurial leadership capability helps entrepreneurs to cope with the challenges associated with new venture creation, growth and success, and to deal with competitive environment (Cogliser and Brigham, 2004). Hejazi et al (2012) further asserted that entrepreneurial leadership is similar to the innovational dimension of strategic management. Consequently, Hejazi et al. (2012) combined transformational, team oriented and value oriented leadership theories, and expert’s perspectives to develop new sets of dimensions for entrepreneurial leadership – strategic, communicative, personal and motivational dimensions.

2.2 Entrepreneurial Leadership dimensions: strategic, communicative, personal and motivational

The strategic dimension is focused on strategic thinking indicators such as assigning vision for followers, predicting future problems and crises, holistic view and avoiding details, flexibility in decisions, being prepared to deal with unforeseen circumstances, and identifying sources of competitive advantages (Hejazi, 2013; Agbim, 2013). Previous studies in entrepreneurial leadership (Chell, 1985; Hejazi et al., 2012; Carpenter, 2012; Agbim, 2013; Østergaard, 2014) have also alluded to the significance of these factors.

Communicative dimension is referred to those entrepreneurial factors which utilize verbal and non-verbal behaviors in order to successfully communicate with followers. Active listening, avoiding destructive conflict, inspiring confidence among followers, behavioral flexibility and the ability to influence and to persuade followers are all included in the communicative dimension (Prabhu, 1999; Cogliser and Brigham, 1999; Hejazi et al., 2012; Agbim, 2013). Despite previous studies mentioned some of these communicative variables (Prabhu, 1999, pp.143; Cogliser & Brigham, 1999, pp.787), the ability to establish an effective relationship have not been mentioned as a main factor. However some researcher has noted that communicative variables somehow have significant and positive effects on sustained entrepreneurial success (Agbim, 2013) and entrepreneurial leadership vision (Ravio et al., 2010).

The personal dimension comprises factors such as emotional strategy, creativity, open mind, modesty and humility, courage, proper placement of people and things, candor and ingenuous, and discipline (Chell, 1985; Nicholson, 1998; Hejazi et al., 2012). Previous studies often referred to personal factors in form of the big five-factor model. For instance, results of a study demonstrate that there is positive relationship between entrepreneurial leadership capabilities and some of the big five-factor variables like extroversion and awareness (Nicholson, 1998, pp.536). The recognition of personal factors on the current research (Hejazi, 2012) is
compatible with Chell study in entrepreneurial characteristics (Chell, 1985); in a way that even some of common variables like audacity, creativity and hyperactivity were in both researches. The motivational dimension is made up of factors such as self-confidence to influence others, enjoys influencing others, motivation for success, ability to understand the needs of followers, tendency to make constant progress in their followers, motivation to perform hard works, and transfers positive feelings to others (Hejazi et al., 2012; Agbim, 2013). Hejazi et al. (2012) found that demographical variable such as age shows positive relationship with motivational dimension of entrepreneurial leadership, in a way that young entrepreneurs have shown more self confidence and motivation in leadership, meanwhile, Agbim (2013) found that older entrepreneurs’ entrepreneurial leadership capabilities were better than that of younger entrepreneurs. These shows that demographical factor such as age have significant and influence on entrepreneurial leadership capabilities.

2.3 Innovativeness

Rogers (2003) defines an organization as a stable system of individuals who work together to achieve common goals through a hierarchy of ranks and a division of labor. Roger has extensively described the diffusion of innovation theory (DOI), on how an innovation is communicated through certain channels overtime among the members of a social system. According to Rogers (2003) innovation has five perceived attributes which explain different rates of adoption: a) relative advantage, the degree to which an innovation is perceived as better than the idea it replaces, b) compatibility, the degree to which an innovation is perceived as being consistent with the organization’s values and culture; c) complexity, the degree to which an innovation is perceived as difficult to understand and use; d) trial-ability, the degree to which an innovation lends itself to experimenting and prototyping; and e) observability, the degree to which the results of an innovation are visible to others. The diffusion process in organizations can be divided into three broad categories—initiation of the innovation, the decision to adopt, and implementation of the innovation.

One of the most promising theories that helps explained how nonprofits such as universities and research libraries innovate emanates from the work of Dimaggio and Powell (1983). DiMaggio and Powel theory of institutional isomorphism contended that the engine of bureaucratization had moved from the competitive marketplace to the state, and the professions. Their theory proposed that there are three isomorphic mechanisms which force one institution to resemble another. According to the theory, these three mechanisms are coercive, resulting from both formal and informal pressures exerted on organizations upon which they are dependent; mimetic, resulting from standard responses to uncertainty; and normative, a force associated with professionalism.

Several researchers have tried to assess innovativeness by using a unidimensional measurement approach. Capon et al. (1992) and Hurley and Hult (1998) assess a company’s general disposition towards innovation, whereas Calantone et al. (2002) instead focus on a company’s innovative behavior. Another unidimensional approach was developed by Chandler et al. (2000) who asked employees to evaluate whether the management supported innovative
actions or not. By using unidimensional measurement scales, previous studies were unable to assess the conceptual richness or different aspects and thus neglected the complexity of innovativeness. In addition, prior research only used reflective constructs to measure innovativeness, which assumes that all indicators need to be highly correlated (i.e., interchangeable), among another and thus neglects the uniqueness of innovativeness’s facets.

Other scholars therefore emphasize that innovativeness is multidimensional and possesses different aspects. Scott and Bruce (1994) examined innovativeness at the individual employee level in one company and suggested that innovation support and a reward system constitute employees’ perceived innovative environment. According to Worren et al. (2002) innovativeness consists of entrepreneurial intent as well as innovation climate. Entrepreneurial intent encompasses items that reflected a company’s strategic focus towards innovations, whereas innovation climate encourages employees’ innovative behavior. Similarly, Dobni (2008) assessed the multidimensional character of an innovation culture by theoretically deriving four dimensions: (1) innovation intention, (2) innovation infrastructure, (3) innovation influence and (4) innovation implementation. Although, the three previously described studies theoretically assume that innovativeness has a multidimensional nature, an empirical validation of a higher-order structure is still lacking. Without empirical confirmation of innovativeness’s multidimensionality, generalization for future research is not possible.

Wang and Ahmed (2004) were the first to attempt to conceptualize and empirically validate the appropriateness of a multidimensional measurement approach of innovativeness by using a confirmatory analysis. Their reflective second-order construct includes five dimensions (product, market, process, behavioral and strategic innovativeness) to determine organizational innovativeness. Although their conceptualization achieves the respective fit measures of a reflective construct, the conceptualization is still limited.

Pallas et al. (2013) developed another model to measure a firm’s innovativeness using a multidimensional formative measurement approach and thus allows specific recommendations to be derived for managers in order to foster innovativeness and, subsequently, a firm’s performance. Their study has not consider the influence of specific leadership approach that might affect innovativeness, thus, their model is less comprehensive in explaining as to what factors determines innovativeness in academic library setting.

Despite numerous studies on leadership and innovativeness, very few studies had considered the role of organizational support and intervention as factor that might influence the innovativeness especially in academic libraries. Some studies stress new library as one that must abandon its bureaucratic structure for a more flattened organization with cross-functional teams (Sweeney, 1994) where fundamental changes must be led by senior management (Stoffle et al., 1996). Clayton (1997) observed that a major problem in libraries is the rigidly defined job classifications which, according to many researchers, encourage ritualistic and unimaginative behavior. Furst-Bowe and Bauer (2007) posited that innovation and change must be driven by individuals with line authority namely; presidents, vice-presidents, deans or department chairs.

However, most of these studies were case studies and very little that shows empirical results of such link between organizational support and library innovativeness. Thus, innovativeness in
this study defines as an academic libraries’ overall innovative ability through combining strategic orientation with innovative behavior and process innovativeness (Wang & Ahmed, 2004).

3. Proposed research model

In order to further expand the knowledge in library innovativeness, an attempt is made in this study to develop a model to examine the key factors that could affect the innovativeness in academic libraries. The proposed model consists of six major domain construct; (1) strategic factor, (2) communicative factor, (3) personal factor, (4) motivational factor, (5) moderator, (6) innovativeness in academic library.

The first domain is leader strategic factor. The second domain is leader communicative factor. The third domain is leader personal factor. The fourth domain is leader motivational factor. The fifth domain is the moderator that consists of organizational support. The sixth domain is the academic library innovativeness (strategic innovativeness, innovative behavior and process innovativeness).

![Proposed research model](image)

Figure 1. Proposed research model.

4. Significance of research

This study adopts the LMX framework (Graen and Uhl-Bien, 1995) as guidance and by this the study will develop an alternative model to the current entrepreneurial leadership and library innovativeness literature. First, although there had been several studies that had investigated the effects of entrepreneurial leadership on innovation (Cogliser, 2004; Carpenter, 2012; Crumpton, 2012; Arshi, 2013; Akmaliah, 2014), very few studies had consider the
interactions or combinations of several factors, or most studies had only considered those factors in isolation thus the findings are often conflicting and provide inconclusive evidence.

Several researches noted that innovativeness are among the main personal competencies that have been ‘specified’ for entrepreneurial leaders alongside pro-activeness and risk taking, that indicate entrepreneurial orientations at both personal and organizational levels (Chen, 2007; Kuratko, 2007; Gupta et al., 2004; Covin & Slevin, 1991). Thus, the present study seeks to investigate the combined effects on the proposed critical factors (strategic factors, communicative factors, personal factors and motivational factors) on library innovativeness in an effort to shed some light as to why there have been varying results in the previous study findings. In other words, the study adopted the LMX theory and integrates dimensions of entrepreneurial leadership that are specific to library leaders, then, examine their combined effects on innovativeness in academic libraries.

The proposed study will be able to provide useful guidelines for information agencies particularly academic libraries, to improve library innovativeness. Besides that, it will also provide guidelines on how leaders in academic libraries (especially academic libraries in developing countries like Malaysia) can enhance entrepreneurial leadership knowledge and competencies efficiently in order to improve library innovativeness.

Several researches had studied the role of organizational support in affecting entrepreneurial leadership and innovation (Kuratko, 1993; Stevenson, 2001; Carpenter, 2012; Haziah, 2013; MacDonald, 2015; Kanter, 1988; Furst-Bowe & Bauer, 2007; Jantz, 2012). However, most of these studies are case studies, hence unable to provide scientific assessments of the relationships. Moreover, as there has been a lack of studies assessing the effects of the organizational role on the relationships between the above-mentioned factors on the library innovativeness, the proposed study would offer policy makers useful insights into whether the existing policies and support systems have effectively assisting the academic institutions and academic libraries to face new challenges in the rapidly changing setting of higher education and information management.

Therefore, the study also investigates the effectiveness of the existing organizational support system in enhancing innovativeness of academic libraries, particularly in the public higher learning institutions. Thus, the study will serve as guidelines for the policy makers of higher learning institutions, to design and provide future support system for the academic library regardless of its research status.

5. Conclusion

The impacts of today's economic downturn has forced many of academic institution to faced flat or shrinking budgets that have resulted in the reduction of facilities, staff, hours, and resources. With the change happen throughout many academic institutions, library managers have opportunities to use entrepreneurial leadership to transform their organizations to meet the changing information and service needs of users, even while under fiscal constraints. This study is a first step for library managers to anticipate entrepreneurial leadership, strategies to
market information resources for optimum utilization may as well be the challenging tasks for librarians in academic library.

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