Impact of transformational Leadership on innovation

Case Study on Sonelgaz Corporation Laghouat

1st Ferhat Ahmida [1] *

[1]MCA, University of Laghouat, Economic Studies, Algeria.
✉h.ferhat@lagh-univ.dz
https://orcid.org/0009-0005-2908-1793

Abstract

   This study aims to understand the concept of transformational leadership, and its impact on   innovation. Through different perspective. on the Gas and Electricity Distribution Corporation Laghouat Section stuff, the study structure represented by the transformational leadership as independent variable by its dimensions (Idealized Influence, inspirational motivation, intellectual stimulation, individual Consideration,) and innovation as dependent variable. To reach the study goal, a questionnaire was handed to randomized sample of 32 stuff members. Then analyze it through Structural equation modelling (SME) to form the structure of the study. By using the SPSS software 's for the statistical analyze, to determinethe impact. The results of the study were There is no a statistically effect of transformational Leadership on innovation at 5% level of statistical significance

Keywords: leadership; transformational leadership; innovation
JEL classification codes: M10,

تأثير القيادة التحويلية على الإبداع: دراسة حالة مؤسسة سونلغاز –الأغواط –

أحميدة فرحات [*][1]

[1] أستاذ محاضر (أ)، (جامعة عمار ثليجي، الأغواط – الجزائر)

✉ h.ferhat@lagh-univ.dz

http://orcid.org/0009-0005-2908-1793

الملخص :

هدفت هذه الدارسة إلى قياس أثر القيادة التحويلية في الإبداع لدى عاملي شركة توزيع الكهرباء والغاز بالأغواط، وذلك انطلاقا من اعتبار القيادة التحويلية بأبعادها (التأثير المثالي، التحفيز المثالي، الاستثارة الفكرية والاعتبارية الفردية) متغيرا مستقلا، والإبداع باعتباره متغيرا تابعا. ولأجل تحقيق هدف الدراسة، تم اعتماد استبيانا وزع على عينة ميسرة حجمها 32 فردا، وأيضا اعتماد تقنية الانحدار الخطي باستخدام برنامج spss لأجل التحليل وقياس الأثر واختبار الفرضيات المنطلق منها. وقد توصلت الدراسة إلى وجود أثر دال احصائيا للقيادة التحويلية في الابداع عند 5%. كما يوصي الباحثين الشركة محل الدراسة بأن تأخذ بجدية أهمية القيادة التحويلية عبر تشجيع وتدريب العاملين بهدف تقديم أفكار، تحسين أدائهم وتحفيزهم ليكونوا أكثر إبداعا.

الكلمات المفتاحية: القيادة التحويلية ، الإبداع

تصنيف JEL: M10,

I.INTRODUCTION:

The subject of leadership is one of the most important topics that have been widely discussed in the field of management and work psychology. We find that studies have addressed the prevailing leadership styles in organizations from different points of view. And with the multiplicity of leadership styles and theories that explain them, but there is a pattern that appeared in the seventies of the last century. And was favored by many theorists and researchers. And it is the transformational style that all contemporary organizations seek to implement, since it fits with changing environments and encourages innovation, and the latter has become an imperative necessity. Organizations that do not give great importance to innovation. they cannot meet the challenges that exist in the environment, whether internal or external, and have no ability to compete, and in order to maintain their position and relative stability in an era in which challenges abound, they must make innovation the goal that all its employees want, whether innovation in processor product.

In this era, Organizations face many challenges and changes that necessitated renewal. whether in the way they perform their work and tasks. Or the change in the style of leadership prevailing in the organization, the latter being important in the organization's ability to face challenges, there are more than 200 models of leadership (David,1996). But the style that appeared in (1978 and Burns) called the transformational leadership style, is one of the most prominent contemporary leadership styles, The transformational leader seeks continuous renewal and change. And it is commensurate with the modern organizational environments, which are no longer what they used to be, and this is due to the developments that covered all fields, so change became the slogan of all organizations.

Innovation and transformational leadership are modern concepts. They have not been studied enough at the local level, and they have not been studied together, and due to their extreme importance in organizations, and through the transformational leadership style. The organization draws future plans for it, and the ability to maintain relative stability in an era of much change, innovation gives the organization the opportunity to maintain its position, as well as the ability to confront all the challenges it faces, the problematic of this research aims to determine:

What is the impact of transformational leadership on innovation case study Sonelgaz Laghouat?

II.THEORETICAL FRAMEWORK AND PREVIOUS STUDIES:

1. Leadership Theories

There have been various approaches adopted by different set of leaders (David, 2016)   Influence workers, as one model may not be suitable for different organizations with different set of objectives. Moreover, such models or theories of leadership also depend on the qualities that a leader inherit or display in managing her/his team. Some of the theories of leadership ranging from conventional theories to contemporary theories, have been dealt with over here, the chief of them being the following:

- Transactional Theory of Leadership.

- Transformational Theory of Leadership.

1. Transactional Theory of Leadership

The transactional theory of leadership was first discussed by Max Weber in 1947 and was later developed by Bernard M Bass in 1981 (Allan,2016). There are several assumptions that underlie the transactional theory, which are as follows (David,2016):

- People perform their best when the chain of command is definite and clear.
- Workers are motivated by rewards and punishments.
- Obeying the instructions and commands of the leader is the primary goal of the followers.
- Subordinates need to be carefully monitored to ensure that expectations are met.

Under the transactional theory of leadership, the leaders guide or motivate their followers in the direction of established goals by clarifying role and task requirements. The characteristic features exhibited by transactional leaders are as follows:

- Contingent Reward: The leader links the goals of the organization to rewards and clearly specifies and expectations, provides the needed resources and set SMART (specific, measurable, attainable, realistic, and timely) goals for the subordinates;

- Management by Exception (Active): The leader actively monitors the performance of the subordinates, watches and searches for deviations from rules and standards, and take corrective actions to prevent mistakes;

- Management by Exception (Passive): In terms of passive management, a leader intervenes only if standards are not met and even use punishments for poor performances;

- Laissez-Faire: In this for, the leader gives an environment to subordinates, where they can take decisions. In this form, the leader himself abdicates from responsibilities and avoids making decisions, due to which the followers lack the direction.

This kind of leadership may not be suitable for all occasions and be suitable, where organizational problems are quite simple and clearly defined. The transactional leaders tend to be highly directive and action oriented and their relationship with the followers tends to be transitory and not based on emotional bonds. In taking this style of leadership, gender differences exist. Several studies found that, in using transactional leadership style, women were more likely to focus on the rewards" component, while the men laid their focus on "punishment" component.

2. Transformational Theory of Leadership:

Transformational leadership links with positive outcomes on individual as well as organizational levels. Transformational leaders emboldens followers to attain higher-order needs (Dansereau, 2010) , like self-actualization, self-esteem, and are influential in surging followers' motivation in the direction of "self-sacrifice and achievement of organizational goals over personal interests, Leaders with Idealized Influence demonstrate heightened concerns and cognizance of followers' needs and generate a sense of shared risk-taking" Inspirational Motivation affords a cradle of encouragement and challenges followers to achieve the set goals, whereas, Intellectual Stimulation inspires followers to be more creative and innovative in their problem-solving skills.

Transformational leaders grade their relationships with followers very high in priority and demonstrate individualized consideration in meeting their needs for empowerment, achievement, enhanced self-efficacy and personal growth. Leadership styles, however, do not embrace all of the factors that influence innovation. As per Cummings, Midodzi, Wong, and Estabrooks (Bennis, Thomas,2004), "leadership style alone could not be linked to patient mortality". Instead, the researchers examined that when the organization had associated and consistent organizational culture, patient mortality was on downward trajectory, observed that regardless of style, "leaders who practiced relational and transformational styles had better quality outcomes than those who demonstrated autocracy"

A. Transformational Leadership

There are many styles of leadership and their relevance depend upon a specific time period or a particular situation. Transformational Leadership (TL) seems to be the most apt for the present day context. Previous studies have consistently shown a positive relationship between transformational leadership and effectiveness. However, despite the findings about what transformational leaders perform, at least one fundamental issue deserves further examination more particularly about how do transformational leaders influence an individual follower as well as a group as a whole and why do followers react to their leaders' leadership behaviors? As pointed out by several researchers these questions have not been fully addressed when it comes to explaining transformational leaders and transformational leadership.

One of the leadership styles in which leaders and followers are encouraged to motivate others and bring about the change in an organization whereas transformational leaders mainly focus on building a better tomorrow. They are willing to take risks and dig deep in to the unknown. Moreover, they are willing to challenge themselves, their thoughts and put it to action which involves taking risk. Lewis, (Bennis and Thomas, 2004) believe, in order to make any job effective, leaders and followers require several abilities like team-work, effective communication, team spirit, problem solving and aspects of transformational leadership. TL starts with the development of a vision. Something that is on the way, yet to happen, is anticipated by the transformational leader. Transformational leadership phenomena need to be examined with a multi-level perspective in order to give us a better understanding of their impacts in contemporary organizations. For example, in current business practices, more and more individuals work in team or group-based structures[1].

The impact that transformational leadership has on members of an organization can be best examined by comparing it to transactional leadership, where leaders approach followers with an eye to exchanging one thing for another For instance, exchanging work on a project for a raise in compensation. Instead, a transformational leader mobilizes his or her followers toward reform by an appeal to values and emotions. Bennis and Thomas (2004) believed that great leaders possess mainly four essential traits. They discovered these happen to be the same that allows a person to find meaning which could be termed as a devastating experience. First, is the ability to engage others in shared meaning, then secondly being a distinctive and compelling voice. Third is a sense of integrity; this implies having a strong set of values. Finally, the most critical skill is the adaptive capacity. This is, ideally applied creativity. It is a magical ability to transcend adversity and emerge stronger than before. It has two basic qualities; the ability to grasp context and hardiness. The ability to grasp context implies an ability to weigh a welter of factors, ranging from how very different groups of people will interpret a gesture to being able to put a situation in perspective. Without this, leaders are

utterly lost, because they cannot connect with their constituents[1]. Transformational approaches to leadership have a wide range of potential benefits.

At the organization level, transformational leadership practices can produce strategic organizational change Perceived transformational actions have also been shown to alter staff perceptions of EBPs in mental health service settings increase staff satisfaction, reduce stress and burnout and reduce turnover intentions. While limited research has linked transformational leadership directly with client outcomes (such as treatment engagement) staff perceptions have implications for clients. For instance, lower staff burnout has been associated with higher counselor rapport ratings among clients within substance use treatment organizations Currently there are a number of instruments available that measure transformational leadership, for example the one suggested by (Bass & Avolio 1995). However, some important components (such as empowerment), are not routinely assessed. Additionally, most existing instruments include scales with only one or two marker items that reflect important themes within a core component. This approach works well when assessing a global construct of core transformational components2, but is inadequate when examining components in greater detail for self-assessment and training purposes. Furthermore, the most commonly used and most comprehensive measures of transformational leadership such as the "Multifactor Leadership Questionnaire" are available.

B. History of transformational leadership

The term "transformational leadership" was coined by sociologist Downton in 1973. Leadership expert Burns defined transformational leaders as those who seek to change existing thoughts, techniques and goals for better results. Referring to transformational leaders he further added, they are the ones who focus on the essential needs of the followers. Transformational leaders excel in a variety of sectors.

(Bass 1985) carry forward (Burns 1978) work and explained the psychological mechanisms from his view point. He discussed about transforming and transactional leadership, in particular and he put emphasis on the term "transformational" instead of "transforming." Transactional leadership refers to the exchange relationship between leader and follower to meet their own self-interests1. He supported the TL idea of (Burns 1978) in reference to how it (transformational leadership) could be measured and how it could impact follower's motivation and performance. This focuses on the extent to which a leader is transformational which is measured first, in terms of his influence on the followers. Furthermore, the followers of such a leader feel trust, admiration, loyalty and respect for the leader and because of the qualities of the transformational leader, then followers are willing to work harder than originally expected. These outcomes happen because the transformational leader provides followers something more. They give followers with an inspiring mission and vision and give them a unique identity. The leader transforms and motivates followers through his (or her) charismatic influence (also referred to as charisma), intellectual stimulation and individual consideration. Moreover, the (transformational) leader encourages followers to come up with new innovative ways and challenge the status quo allowing altering the business environment and as per the need of the hour and thus be successful. However, unlike Burns, Bass suggests that leadership can simultaneously display both transformational and transactional leadership1. TL is an approach that causes change in individuals and social systems. In its ideal form, it creates valuable and positive change in the followers with the end goal of developing followers into leaders. Enacted in its authentic form, transformational leadership enhances the motivation, morale and performance of followers

through a variety of mechanisms. These include connecting the follower's sense of identity and self to the mission and the collective identity of the organization; being a role model for followers that inspires them; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so the leader can align followers with tasks that optimize their performance[2].

C. The Four Elements of Transformational Leadership

In their book Transformational Leadership, (Bass and Riggio, 2006) argue that, Transformational leadership involves inspiring followers to commit to a shared vision and goals for an organization or unit. challenging them to be innovative problem solvers, and developing follower's leadership capacity via coaching, mentoring, and provision of both challenges and support. Transformational leaders achieve these superior results by employing one or more of the behaviors described below:

- **Idealized Influence (II):**

One can conceive of II as role-modeling, or ―walking the talk. ‖ II often relates to morality and ethics. There are, however, two aspects of II to consider. First, is the leader 's actual behavior?. Leaders with high levels of II behavior will emphasize shared values, in addition to II behaviors, II leaders exhibited attributes ascribed to them by their followers. The leader's behavior will generate respect and admiration among followers. They are endowed by their followers with qualities such as (trustworthy, clear sense of integrity … etc.).

- **Inspirational Motivation (IM):**

If II is "walking the talk, one could argue that IM is" talking the talk. Leaders with high levels of IM behaviors motivate and inspire their followers via the spoken word. They develop and clearly articulate a vision and the expectations for their follower's performance. In doing so, they ―raise the bar‖ for their organization, setting new standards and new targets for their followers efforts Creating and sharing a vision for the future, and spurring followers to achieve that vision is a phenomenal motivator. It lets people know where they are going and encourages them in the journey. People are more confident if they have a good feel for their future; they feel a sense of belonging and are more likely to commit to their organization 's efforts.

- **Intellectual Stimulation (IS):**

There is an old saying that "none of us are as smart as all of us. For many years "brainstorming has been a proven technique for eliciting input to overcome challenges and solve problems Leaders accomplishes similar outcomes, however, by employing IS. Through IS, leaders stimulate followers 'creativity. Leaders employing IS question assumptions, processes and existing paradigms, forcing their followers to rethink their solutions and create new approaches to problems Such leaders include their followers in decision-making related 104 Full-Range Leadership to such improvements. They support some risk-taking, allowing subordinates to try their ideas and not over-reacting to failure. If a leader is not accepting of occasional failures, their followers will be unwilling to take risks IS cannot solve every problem. Sometimes the people do not possess the expertise or access to the expertise needed to solve a problem. In other instances, innovative efforts are stymied by external requirements. In most instances, however, people can and will innovate improvements in their jobs and the processes in which they are involved if only afforded opportunities. The results are improved job

performance but also increased job satisfaction as people take ownership of their performance and realize that they are trusted and empowered to make improvements.

- **Individual Consideration (IC):**

(Burns,1978) noted that the ultimate aim of great leaders is to develop their followers into future leaders. IC is that transformational leadership trait focused on the development of followers. IC involves a range of behaviors, to include listening, coaching, mentoring and teaching and directly addresses followers need for achievement and growth. As people think back to the great leaders they have known in their lives, invariably they recall those leaders that helped them reach their full potential. Whether it was a coach, a favorite teacher, a commander, or even a parent or a grandparent, most people recall those leaders most favorably who invested time in getting to know and develop their followers.

D. Challenges face by a transformational leader

The life of a modern-day leader clearly is not easy. Inside their organizations, they need to lead and motivate a diversified group of people, work across organizational boundaries, improve efficiency, and achieve growth. Externally, they face a complex and globalized environment; they have to manage the requirements of government, keep up with competitors, and meet the expectations of other stakeholders. And within this global environment, there are many cultural considerations leaders must face to be effective. They must work across cultural boundaries and alongside others who, at times, are very different from them and have different ways of getting work completed.

These challenges are as follows:

- Dynamic nature of organization

In recent time the organization changes their structure at rapid rate the first challenge is to make a compelling case according to the dynamic changes .transforming leader can't understand the changing condition very fast so he unable to trained and motivate the followers. For example, to save a failing company, a transformational leader must show workers that the status quo is unsustainable and that their long-term interests depend on systemic change.

- How to Inspire Followers

Challenge for transformational leadership is to inspire workers with a compelling vision of the future. A transformational leader must give employees hope and show that their concerted efforts can create a future that benefits everyone in the entire organization, He faced a lot of challenges in understating the requirement of employees and how he inspires them to follow the right way.

- How implements the changes

Leading the transition is the third challenge for transformational leaders. It's one thing to sell a dream but another to make it happen. He has the skills and knowledge how the changes will be adapted but maximum time he used to face the problem to implement them because the implication is depend upon the different condition.

- Isolation

Being a leader can be really lonely. He can't really talk others on the issues although he is having a group of employees, team, or management team. He cannot expose the behavior of upper management and tarnish the perception of the employee This isolation can lead to loneliness, conflict avoidance or problems. The resulting in delayed decision making and wishy-washy back and forth directives.

- Challenge for wider-ranging knowledge

Not too long ago, many company executives operated in silos: They were the experts in their division, but they didn't often get involved in the work of other departments. Today, however, leaders must take a broader organizational view. For example, many CFOs have seen their responsibilities extend beyond finance into human resources, information technology, and operations.

3. Innovation

Nowadays, technological innovation is something that is regarded as an essential driver for competitive success and is widely considered to be the major element of driving growth at all levels of economic ventures. If a company lags in its ability to adopt innovations, it is soon going to be out dealt by opponents. Also, the international division and the competition imposed by new markets with regard to the normal manufactured products forced the industrialized countries to move towards products that always contain a high level of technology. and thus, innovation has become an essential element in international competition.

The process of innovation may take place in a cumulative form, in a series of short steps whose study is long, and therefore what results do not need to be tangible material, it may be a word, a service, a new idea, a set of facts, or a vision particular, or one of the most efficient and effective processes.

A. Concept of innovation

The word "innovation" comes from the Latin words in and novare, meaning "to make something new, to change." In principle, that's something anyone can Do imagination and creativity come as standard equipment for human beings. And it's something we've been doing since the earliest days when our ancestors lived in caves the reason that we don't still live there is because of innovation. Working out better ways of hunting, mastering fire and tool-making, learning about agriculture, construction, transportation quite simply, the history of civilization is about innovation1.

The increasing dynamics of various marketplaces have intensified the interest in the concept of innovation among organizations. The areas where the increasing dynamics of marketplaces manifest themselves include constantly evolving customer demands, new technological opportunities, and changing marketplace structures and forces, defines innovation as a "basic prerequisite for economic development and the preservation of competitiveness". The importance of innovation is apparent in the manifold business disciplines on which practitioners and researchers operate, such as human resource management, entrepreneurship, R&D, and information technology.

A survey conducted by Urbancová in 2012 fortifies the impression of various other authors regarding the significance of innovation for an organization by quantifying its value for companies. According to this survey, about 94.5% of the consulted companies place a high importance on innovation for

their respective organizations, with 81.7% recognizing the necessity of creating an innovation culture to increase the output of innovations Nevertheless. The Austrian economist Joseph Schumpeter (Stephen, Klimoski,2001) first used the term "innovation" at the beginning of the 20th century. From Schumpeter's perspective, innovation can be summarized as a new product, process, or organizational change of all types; innovation does not necessarily need to stem from scientific discoveries but it can also originate from the application of improvements to existing technologies as well as practical applications.

There is no universally agreed-on definition for innovation, but two common definitions are. (Robbins, Judge,2014):

a. Innovation is the transformation of knowledge or intellectual property into commercialization.

b. Innovation is not necessarily invention; it can be the creation of something new, as in a new application. Innovation is finding a new or better solution to market needs in a manner that creates long-term shareholder value. Externally, it is seen by customers as improved quality, durability, service, and/or price. Internally, it appears as positive changes in efficiency, productivity, quality, competitiveness, and market share.

To understand the difficulty in defining innovation, we will look first at the reasons for performing innovation:

- To produce new products or services with long-term profitable growth potential

- To produce long-term profitable improvements to existing products and services

- To produce scientific knowledge that can lead to new opportunities, better ways to conduct business (i.e., process improvements and business models), or improved problem solving.

B. Types of Innovation

Schumpeter proposes the following classification of innovation into five different types[1]:

- Manufacturing and creation of previously unknown products or products of unprecedented quality levels

- Introduction of a new production method that was previously unknown to the industry sector in question

- Opening entirely new markets that were previously inaccessible

- Creation of new sources of supply of certain resources that are unavailable or were nonexistent before its development.

- Undertaking a reorganization to create or break through a monopoly.

In summary, all types of innovations are based on a novel idea or concept, which provides value for the organization in any form. More recent definition approaches from modern economists and scientists expand the understanding of Schumpeter. For instance, recognizes that the main emphasis of innovation lies on the customer by focusing on what the customers desire and providing them with

value. Moreover, high complexity is not necessary for the product or service to qualify as an innovation as long as customer needs are served in a new and practical manner. add that innovation must be deeply ingrained in the design process of an enterprise to be successful. The general preconditions to that end include effective knowledge management and sound collaboration and management of the said design process[1].

This is what Schumpeter presented. We will address another point of view which he presented by Garcia and calantone, he gives us four types whish is[2]:

- Radical Innovations

Radical innovation involves considerable change in basic technologies and methods, created by those working outside mainstream industry and outside existing paradigms, It involves both technology and the market sides of newness, Radical innovations often do not address a recognized demand but instead create a demand previously unrecognized by the consumer. For instance, one could not imagine using a computer at home in the 70s, but the pc market now makes up a multibillion computer market.

- Disruptive Innovations

In Christensen's perspective (1997) the innovations are disruptive if they create discontinuities in the market. That is, the innovations should overturn the status quo of their market by certain attributes. These attributes are regarded as different set of features, performance, price attributes relative to existing products and technologies. Examples include digital photography to replace film photography personal computers to make the mini computers and workstations extinct; mini computers to make the mainframes extinct or to lock into small niche markets and so on. It should be noted that the disruptive innovations do not occur frequently.

- Really New Innovations

Really new innovations generally stand for the 'moderate' innovative class of innovations recognized in the literature, define moderately innovative products as "consisting of lines to the firm, but where the products were not as innovative without being new to market and new items in existing product lines for the firm". Song and Montoya-Weiss (1998) classify really new innovations as "an entirely new product category and/or production and delivery system", For an innovation to be considered as really new, the authors give three conditions. These conditions are:

- The innovations should rely on technology that is never used in the industry before.

- The innovation has an impact on or causes significant changes in the whole industry.

- The innovation is the first of its kind and totally new to the market.

- Discontinuous Innovations:

Discontinuous innovation may be either a radical innovation or a really new innovation, dependent upon at which level (macro/micro). and which S-curve (marketing/technology/both) is affected by the introduction of the invention to the marketplace. Discontinuous innovations entail a higher degree of risk, require ngreater company effort and resource commitment, but usually the only types of new

product ventures, by which a firm can gain outstanding profits or achieve a major competitive advantage. For instance, for an electronics manufacturer such as IBM to begin to manufacture and market wind turbines, with their state-of-art modeling and monitoring systems would be a discontinuous attempt. Yet a utility company to design and market the same wind turbine would not be considered discontinuous.

Based on their simplicity of implementation, their acceptance in both academia and in business and achieved best-fit for developing the innovation strategy framework, the abovementioned innovation categories are represented with 'radical innovation' concept for dimension I. With this in mind, the radical innovations can now be defined as follows1: Radical Innovation: Innovations those are discontinuous, disruptive and new in its market and new in its technology.

C. The Four Key Elements of Innovation

Innovation requires collaboration, ideation, implementation and value creation. Community developers actively engaged in innovation illustrated each of these elements during breakout sessions. They shared replicable concepts, programs and initiatives that are showing real results. The following is a sampling of those presentations.

- Collaboration

Teamwork is essential to getting things done. In today's global and digital 24/7 world, challenges are more complex; it's becoming increasingly important to bring more, diverse minds to the table and to break down silos.

Collaboration is one type of group activity familiar to community development. There is no shortage of initiatives intended to be collaborative. Collaboration has never been easy, mostly because conflict and competition within and among groups dominates the landscape. As everyone tends to avoid tension, what we actually may be left with in communities is peaceful (or less than peaceful) coexistence, and not collaboration. It may be a good time for re-thinking collaboration.

The conference encouraged re-thinking approaches to strategy. How could new approaches to collaboration influence economic transformation of a community, state or nation? To begin, collaboration involves three basic aspects: relationships, process and outcomes. Collaboration means to work together (relationships) toward (process) something in common (outcomes).

- Ideation

Fresh, new ideas help your organization stand out. With intense competition for resources, organizations must differentiate in order to survive.

Mark Lange, executive director of the Edward Lowe Foundation, was the presenter for the breakout session "Accelerating Entrepreneurship and Its Impact on Community and Economic Development."

The Edward Lowe Foundation is using ideation to make the case for entrepreneurship as an economic development strategy. Lange says:

- Local businesses have much more influence on job creation than companies headquartered out of the state.

- Second-stage businesses are critically important to job growth and need to be nurtured more effectively.

- Business expansion has a much larger impact on job creation compared to business relocation.

- Implementation

Without the practicality and implementation of ideas, new thoughts are meaningless. Organizations must create an environment fostering positivity, allowing entrepreneurs and organizers to put forth their ideas and keep them moving. If a picture has potential, then it is time for the organization to look for productive ways of implementation. Execution can be initiated at a small scale with a prototype, and accurate feedback can enhance the ranking. Performance needs to be aligned with customer satisfaction and employee needs. It has to be Iterative and responsive.

The innovation implementation plan represents creating the critical steps necessary to put your solutions into practice. Usually, in this process goal is to gain targeted organization members' appropriate and committed use of an innovation.

- Value Creation

You don't have innovation if your new ideas aren't creating value. Organizations must implement ideas and programs identified as most effective in delivering value to stakeholders.

The failure rate of established companies has skyrocketed during the past year. However, there are companies still experiencing monumental success despite the economic downturn. These companies are thriving because they effectively deliver products valued by consumers.

The purpose of innovation is to create business value. Value can be defined in many ways, such as incremental improvements to existing products, the creation of entirely new products and services, or reducing cost. Businesses seek to create value because their survival, growth and ability to compete in a rapidly changing market depend on whether they innovate effectively.

Many companies develop experimentation brands, joint ventures or co-brands. This gives them the freedom to test new ideas and create value without the risk of damaging an established brand. Toyota's Scion brand is an example of an experimentation brand. During the "Creating a Culture of Innovation in Community Development Organizations" workshop at the conference, Innovation Lab's Langdon Morris presented Toyota's Scion as a case study. Toyota's application of four innovation tools during the innovation process helped develop creative insights into value. Those tools were: need-finding, framing, creative combination and prototyping.

III.METHOD AND PROCEDURES:

1. **The Methodological and Practical Side of the field study:**

Through this topic, we will present and analyze the data collected by distributing the study questionnaire to the study sample. which is represented by a group of Sonelgaz workers - Laghouat - by describing the characteristics of the sample in terms of gender, job location, years of service in the institution, then move on to analyze the data starts with testing the validity and reliability of the study.

I. Study tool:

The study population is represented by the group of workers of the Sonelgaz Laghouat Foundation. Which numbered 32 managers who represent leadership. We settled on choosing (32) male and female workers at random to represent the study sample.

The stability of the study was also confirmed using the Cronbach-Alpha coefficient, and the following table shows this:

Table (1)

Measuring the stability of the study tool

Cronbach-Alpha	N of Items
0.954	30

Source: Prepared by the researcher based on the outputs. (spss)

We see that Cronbach's alpha coefficient is equal to (0.954), which is greater than (0.6), and therefore we can say that the study tool is characterized by high stability which makes it valid for this study, and it also.

II. The nature of the relationship between the dimensions of the independent variable and the dependent variable:

Here we will try to show the nature of the relationship between the independent variables in the transformational leadership dimensions (Idealized Influence, inspirational motivation, intellectual stimulation, individual Consideration) and the innovation dependent variable.
makes us reassuring to use it.

Table (2)

The correlation coefficients between the independent variables and the dependent variable

	Idealized Influence	inspirational motivation	intellectual stimulation	individual Consideration
innovation	0.698*	0.745*	0.682*	0.633*

* Significant at level $\alpha = 0.05$

Source: Prepared by researcher based on outcomes. (spss)

Through the table it appears to us, that all the axes of the independent variables have a correlation and is statistically significant, where the axis of inspirational motivation came as the highest correlation between the axes, followed by the ideal influence, then the intellectual stimulation, and finally the individual contrast, where the results were in the following order: (0.633*) (0.682*) (0.698*) (0.745*), which are all positively related.

III. Study hypotheses test

After presenting and analyzing the different attitudes of the study sample members about the axes included in the questionnaire, we test the hypotheses at (α = 0.05).

- **The first main hypothesis:**

The null hypothesis: There is no statistically significant effect of transformational leadership on innovation at the Sonelgaz Foundation - Laghouat - at a significant level (α = 0.05).

- **The alternative hypothesis:**

There is a statistically significant effect of transformational leadership on innovation at the Sonelgaz Foundation - Laghouat - at a significant level (α = 0.05).

- The first sub-hypothesis:

- The null hypothesis: There is no statistically significant effect on the Idealized Influence on innovation at the Sonelgaz Foundation - Laghouat - at a significant level (α =0.05).

- The alternative hypothesis: There is a statistically significant effect on the ideal effect on innovation at the Sonelgaz Foundation - Laghouat - at a significant level (α = 0.05).

- The second sub-hypothesis:

- The null hypothesis: There is no statistically significant effect on the intellectual stimulation on innovation at the Sonelgaz Foundation - Laghouat - at a significant level (α = 0.05).

- The alternative hypothesis: There is a statistically significant effect on the intellectual stimulation on innovation at the Sonelgaz Foundation - Laghouat - at a significant level (α = 0.05).

- The third sub-hypothesis:

- The null hypothesis: There is no statistically significant effect on the inspirational motivation on innovation at the Sonelgaz Foundation - Laghouat - at a significant level (α = 0.05).

- The alternative hypothesis: There is a statistically significant effect on the inspirational motivation on innovation at the Sonelgaz Foundation - Laghouat - at a significant level (α = 0.05).

- Fourth sub-hypothesis:

- The null hypothesis: There is no statistically significant effect on the individual Consideration on innovation at the Sonelgaz Foundation - Laghouat - at a significant level (α =0.05).

- The alternative hypothesis: There is a statistically significant effect on the individual Consideration on innovation at the Sonelgaz Foundation - Laghouat - at a significant level (α = 0.05).

Table (3)

The results of the simple linear analysis

independent variables	Regression coefficient	T test		coefficient of determination R²	correlation coefficient R	F test	
		t value	sig			F value	sig
Constant	1.019	1.850	0.075				
Idealized Influence	0.297	1.247	0.223				
Inspirational motivation	0.361	1.760	0.090	0.583	0.764	9.443	0.000
Intellectual stimulation	0.106	0.399	0.693				
Individual Consideration	- 0.105	0.461	0.646				

Source: Prepared by researcher based on outcomes. (spss).

We note from the table that the level of significance reached (0.000), which is less than (sig=0.05), and we note that the correlation coefficient is equal to 0.764, which means that there is a relationship between the independent variables and the dependent variable, and we note in addition that the coefficient of determination is equal to (0.583). That is, (58%) of the change in the level of innovation is explained by the dimensions of transformational leadership, and the rest is due to other factors.

- The first sub-hypothesis:

Through Table (2) we obtained a sig value of 0.223 which is greater than 0.05, which means rejecting the alternative hypothesis H_1 and accepting the null hypothesis H_0, and from it can be said that the sample members see that there is no effect of the dimension of the ideal impact on the innovation of the institution under study.

- Second sub-hypothesis:

Through Table (2) we obtained a sig value of 0.090 which is greater than 0.05, which means rejecting the alternative hypothesis H_1 and accepting the null hypothesis H_0, and from it can be said that the sample members do not see that there is an effect of the dimension of inspirational motivation on innovation in the institution under study.

- The third sub-hypothesis:

Through Table (2) we obtained a sig value of 0.693 which is greater than 0.05, which means rejecting the alternative hypothesis H_1 and accepting the null hypothesis H_0, and from it can be said that the sample members do not see that there is an effect of the dimension of intellectual stimulation on innovation in the institution under study.

- sub-hypothesis:

Through Table No. (22) we obtained a sig value of 0.646 which is greater than 0.05, which means rejecting the alternative hypothesis H1 and accepting the null hypothesis H0, and from it it can be

said that the sample members do not see that there is an effect of the individual Consideration dimension on innovation in the institution under study.

- The first main hypothesis:

Through Table (2) we obtained a sig value of 0.075 which is greater than 0.05, which means rejecting the alternative hypothesis H1 and accepting the null hypothesis H_0. It can be said that the sample members see that there is no impact of transformational leadership on innovation within the institution under study. This was confirmed by the sub-hypotheses, which proved that there was no effect on innovation.

IV. CONCLUSION:

The obtained results indicated the existence of a level of transformational leadership. In the institution under study. Where the arithmetic averages of its dimensions (ideal influence, inspirational motivation, intellectual stimulation, individual response). came with a high degree of approval, represented in the following order: (3.83), (3.61), (3.55), (3.45), and the total arithmetic mean of transformational leadership is (3.61). with a standard deviation of (0.68), which means that the institution enjoys a high degree of transformational leadership due to its interest in transformational leadership through its administrative policy and the prevailing values in it, and the availability of information and motivating workers encourages innovation among individuals. within the organization. which is similar to the findings of several previous studies on transformational leadership.

The results also indicated that the arithmetic averages of the employees' perceptions of innovation in the institution under study came to a low degree, and the total average of the employees' perceptions of innovation reached (3.47) and a standard deviation (0.62), which means that the individuals of the institution under study enjoy a degree of freedom and confidence that allows them to participate and express their views. Regardless of the implications of this, whether on colleagues or subordinates, that is, they are not afraid of superiors when it comes to revealing their secrets.

Leaders have characteristics that help expression and employee participation as they can be relied upon, and the motivation and influence factor and the nature of a good relationship between colleagues and subordinates are also likely. All these are healthy organizational factors that may explain employees' perceptions of innovation.

The study also found that there was no effect of the four dimensions (ideal influence, inspirational motivation, intellectual stimulation, individual response) of transformational leadership on innovation at the Sonelgaz Foundation - Laghouat - at the level ($\alpha = 0.05$), and by comparing the results of our current study with the results of previous studies in principle. In the presence of a statistically significant effect between the two variables.

It is clear to us that the impact of transformational leadership on innovation within the organization does not exist, and this could be due to the lack of credibility of the answer to the questionnaire, or refer this to the place and time of the research we conducted, and the study also found that there are no statistically significant differences in the attitudes of individuals' answers about the level of transformational leadership in innovation at the Sonelgaz Foundation – Laghouat.

References:

- Sorensen، A. and Epps, R. "Community Leadership and Local Development," Journal of Rural Studies, 1996.p86.
- David Meier, Situational Leadership Theory as a Foundation for a Blended Learning Framework, Journal of Education and Practice, Vol.7 No.10, 2016.
- Allan Nawaz and others, Leadership Theories and Styles: A Literature Review, Journal of Resources Development and Management, Vol.16, 2016, p57.
- Cho, J.W., & Dansereau, F. (2010). Are transformational leaders fair? A multi-level study of transformational leadership, justice perceptions, and organizational citizenship behaviors. Leadership Quarterly, p21.
- Bennis, W. and Thomas, R. (2004). Crucibles of Leadership. Harvard Business Review. January issue 81.
- Drucker, P, what makes an effective executive? Harvard Business Review. January issue, 2004.p26.
- David R. Kolzow, PhD, Leading from Within: Building Organizational Leadership Capacity, ohio, 2014, p65.
- E.P. Hollander & J.W. Julian, Contemporary trends in the analysis of leadership process, Psychological Bulletin, USA, p83.
- Robbins, S. P, Judge, T. A., & Sanghi, S. Organizational Behavior, New Delhi: Pearson Education, vol.13, 2007, P114.
- Robert Blake and Jane Mouton, The Managerial Grid: The Key to Leadership Excellence, 1964, p84.
- Stephen J. Zaccaro and Richard J. Klimoski, Editors, The Nature of Organizational Leadership: Understanding the Performance Imperatives Confronting Today's Leaders. San Francisco, CA: Jossey-Bass, (2001).
- Paul Hersey and Ken Blanchard, Management of Organizational Behavior: Utilizing Human Resources, 1982
- Bass, B. M. Two Decades of Research and Development in Transformational Leadership. European Journal of Work and Organizational Psychology, 1999.
- Bernard M. Bass & Ronald E. Riggio, transformational leadership, Lawrence Erlbaum Associates-Inc, New Jersey, 2006
- Savita Yadav, Challenges Face by Transformational leader and suggestions to solve the challenges, IJRIM, Vol.7, Issue 5, May 2017.
- Amabile, T. M. (1996). Creativity in context: Update to" the social psychology of creativity.". Westview press.
- JM, Burnes, leadership, Harper Perennial Political Classics, USA, 1978.
- David Meier, Situational Leadership Theory as a Foundation for a Blended Learning Framework, Journal of Education and Practice, Vol.7 No.10, 2016, Research Scholar, National School of Leadership, Pune India.