The Importance of Innovative Leadership in Improving Organisational Readiness for Technology Disruption

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ABSTRACT

The rapid development of technology has led to disruption in various industries and sectors. Technological disruption refers to a fundamental change in the way businesses and organisations operate due to the adoption of new technologies that change traditional business models. This research aims to illustrate the importance of innovative leadership in improving organisational readiness in the face of technological disruption. The current research type is qualitative. Data collection techniques include listening and recording important information to conduct data analysis through data reduction, data display, and conclusion drawing. The study results show that innovative leadership plays a very important role in improving organisational readiness to face technological disruption. Technological disruption has fundamentally changed the business landscape, and organisations need to adopt innovative approaches to remain relevant, competitive and sustainable in this dynamic environment. Innovative leadership helps organisations understand the impact of technology, deal with the changing business environment, and improve competitiveness by creating competitive advantage through innovation.

Keyword: Innovative Leadership, Organisation, Technology Disruption

INTRODUCTION

The exponential advancement of technology has resulted in significant disruptions across diverse industries and sectors (Wahyoedi et al., 2023). The concept of technology disruption pertains to a significant transformation in the operational practices of businesses and organizations as a result of the integration of novel technologies that modify established business frameworks (Harahap, Kraugusteeliana, et al., 2023). Technological disruption encompasses various instances of innovation, such as advancements in artificial intelligence, automation, advanced data analytics, the internet of things (IoT), blockchain, and other related developments (Prastyaningtyas et al., 2023). The aforementioned disruptions possess the capacity to significantly alter the business environment, thereby creating novel prospects as well as intricate obstacles for unprepared organizations (Harahap, Suherlan, et al., 2023); (Azzaakiiyah et al., 2023) and (Salamah, 2023).

In order to effectively address the obstacles posed by technological disruption, it is imperative for organizations to enhance their preparedness and flexibility. The concept of organisational readiness pertains to the capacity to promptly and efficiently adapt to change, and it is in this context that the significance of innovative leadership emerges (Cahyono et al., 2023).
Innovative leadership is a leadership approach that places significant emphasis on the cultivation and execution of novel concepts, the pursuit of imaginative resolutions, and the fostering of an innovative ethos within the organizational context (Alharbi, 2021).

Prior research has underscored the significance of innovative leadership in enabling organizations to confront and surmount technological disruption. In the realm of leadership, the concept of innovation is centered around the promotion of intellectual stimulation and inspiration, fostering an environment that cultivates employee motivation to engage in innovative thinking that surpasses traditional limitations (Jun & Lee, 2023). Innovative leaders play a crucial role in propelling the advancement of novel products and services that align with contemporary technological advancements (Kozioł-Nadolna, 2020). This ability enables organizations to sustain their relevance and competitiveness in the market.

Conversely, innovative leadership assumes a pivotal role in fostering an environment conducive to innovation within the organizational context. Innovative leaders have the ability to eliminate obstacles to innovation, foster collaboration among different departments, and enhance creativity across all levels of the organization through their policies and practices (Hughes et al., 2018). The establishment of a robust culture of innovation fosters an atmosphere in which employees are encouraged to explore novel concepts and exchange information, thereby bolstering the adaptability of the organization in response to technological disruptions. Moreover, the presence of innovative leadership within organizations facilitates the identification of emerging opportunities stemming from technological advancements, while also enabling the effective management of the challenges that accompany such transformations (Trenerry et al., 2021). Innovative leaders exhibit a propensity for forward-thinking and possess the ability to anticipate forthcoming shifts, thereby enabling organizations to enhance their readiness in confronting disruptions and engaging in effective competition (Cortellazzo et al., 2019). This implies that the presence of innovative leaders is crucial in facilitating the implementation of innovative technologies within organizational settings. They facilitate the mitigation of obstacles to the implementation of novel technologies, guarantee the availability of essential resources and training, and oversee the organizational modifications necessary to fully capitalize on the capabilities of these technologies.

Hence, the primary objective of this research is to demonstrate the significance of innovative leadership in enhancing organizational preparedness amidst technological disruption. This research aims to provide valuable insights for organizations by examining the role of innovative leadership in fostering a culture of innovation, identifying emerging opportunities and challenges, and promoting the adoption of innovative technologies. The findings of this study will assist organizations in effectively navigating the dynamic landscape of technological disruption.

**LITERATURE REVIEW**

**Innovative Leadership**

Innovative leadership is a leadership approach that places emphasis on the capacity to effectively guide and steer the process of innovation within an organization (Costa et al., 2023). Leaders who embrace an innovative leadership style prioritize the cultivation of novel concepts, the promotion of creativity, and the motivation of team members to transcend traditional limits in order to attain organizational objectives with enhanced efficacy and efficiency (Anderson et al., 2014). The subsequent traits encompass innovative leadership, among other attributes:

1. **Innovation Drivers**: Innovative leaders encourage team members to think creatively and create new solutions to overcome the challenges faced by the organisation. They encourage and provide opportunities for subordinates to contribute to the innovation process.
2. **Fostering a Culture of Innovation**: Innovative leaders play a role in building and maintaining a culture of innovation within the organisation. They create a supportive environment, where new ideas are accepted, risk is rewarded, and learning from failure is encouraged.
3. **Flexible and Responsive**: Innovative leaders can adapt to market and technological changes quickly. They are not afraid to change existing plans or strategies if the situation calls for change.
4. Talent Development: Innovative leaders invest in developing and strengthening the capabilities of team members. They realise that a team with great potential will lead to more innovative ideas.

5. Attention to Research and Technology: Innovative leaders are always on the lookout for the latest developments in their industry, and strive to leverage the latest technology and research to improve the organisation's processes and products.

6. Risk-taking: Innovative leadership requires a readiness to take risks and try new things. These leaders realise that innovation doesn’t always work, but they still motivate their team to learn from every experience, both success and failure.

The presence of innovative leadership within organizations plays a pivotal role in attaining a competitive advantage and ensuring survival in a rapidly evolving business landscape. Innovative leadership plays a crucial role in enabling organizations to effectively confront technological disruption and other market challenges by fostering a culture of creativity, promoting innovation, and demonstrating adaptability to change.

**Organization**

An organization refers to a collective entity or assemblage of individuals who collaborate in order to pursue specific objectives (Gadzali et al., 2023). Organizations encompass a diverse range of entities, including corporations, governmental bodies, non-profit establishments, and various collectives, all of which possess distinct frameworks and operational mechanisms aimed at attaining pre-established objectives (Rustiawan et al., 2023). The subsequent points outline the primary attributes of organizations:

1. Purpose and Vision: Every organisation has a purpose or mission that is the foundation of its existence. This goal includes what the organisation wants to achieve in the short and long term. The vision of the organisation describes the foresight of the desired direction.

2. Structure and Hierarchy: Organisations have a structure that consists of various interrelated units or departments. A leadership hierarchy exists to ensure efficient decision-making and distribution of responsibilities.

3. Resources: Organisations use resources such as people, capital, technology, etc. to achieve their goals. The management of these resources is an important role for organisational leadership.

4. Coordination and Collaboration: Organisations need coordination and collaboration between team members and departments to function well and achieve goals effectively.

5. Organisational Culture: Every organisation has a unique culture that reflects the values, norms, and beliefs held by the members of the organisation. This culture influences the way work and interactions within the organisation.

6. Sustainability: Organisations aim to survive and be sustainable in the long term. Therefore, they must be able to adapt to environmental and market changes and face challenges and disruptions that may occur.

Organizations exhibit a wide range of sizes, spanning from small-scale entities like micro-enterprises or start-up businesses to large-scale entities like multinational corporations or national governments. Every organization functions within a specific context, which is shaped by both internal and external factors. In order to accomplish its stated objectives, an organization must effectively allocate and utilize its resources. The objectives of an organization can differ, encompassing profit generation for a commercial entity, delivery of public services for a governmental body, or provision of social support for a non-profit organization. In all instances, organizations operate as entities with a duty to accomplish their predetermined objectives and contribute to the society or market in which they are situated.

**Technology Disruption**

The concept of technology disruption encompasses a substantial alteration or interruption in the functioning of a business, industry, or society due to the implementation or advancement of novel technologies (Hopster, 2021). The term "disruption" denotes a significant and abrupt alteration that has the potential to disrupt and transform established practices, resulting in substantial changes in consumer behavior, business models, and market dynamics (Kilkki et al.,
Technology disruption refers to the phenomenon wherein novel technologies arise and supplant established, traditional methods of accomplishing tasks or meeting requirements (Ausat & Suherlan, 2021). Disruptive technologies typically introduce novel features or advantages that exhibit superior efficiency, innovation, and cost-effectiveness (Ausat et al., 2022). The following examples illustrate instances of technology disruption, among other instances:

1. Smartphones and Apps: The emergence of smartphones replaced many previously separate devices, such as cameras, music players, and GPS. In addition, apps that run on smartphones have changed the way people communicate, shop, work, and access information.

2. E-commerce: E-commerce platforms like Amazon have changed the way people shop by providing ease and convenience in online transactions. This is disrupting the business model of traditional physical stores and affecting the retail industry in a big way.

3. Ride-sharing: Ride-sharing services like Uber and Grab have transformed the transport industry by providing a new alternative to traditional taxis. It has brought convenience and efficiency in booking transport and impacted the taxi industry globally.

4. Artificial Intelligence (AI): The development of artificial intelligence has disrupted various industries, including manufacturing, healthcare, banking, and more. AI enables automation, advanced data analysis, and smarter and faster decision-making.

However, it is important to note that technological disruption can have extensive and intricate effects, encompassing: First and foremost, the advent of technology disruption frequently engenders novel opportunities for innovation, the development of superior products and services, and expanded market reach (Dwivedi et al., 2021). Furthermore, the advent of new technologies has the potential to disrupt established industries, leading to the restructuring, closure, or complete transformation of businesses that have become obsolete (Rachinger et al., 2019). Thirdly, the phenomenon of technological disruption has the potential to significantly alter the requirements of the labor force, necessitating individuals within an organization to acquire novel skill sets or explore alternative employment opportunities within distinct sectors (Verhoef et al., 2021). Furthermore, disruptive technologies frequently yield enhancements in operational efficiency, resulting in decreased production costs and enhanced overall business performance (Javaid et al., 2022). Finally, the emergence of new technologies presents regulatory challenges for governmental and regulatory entities in addressing the societal, ethical, and security implications associated with these advancements.

The occurrence of technology disruption is an inevitable occurrence in a time period characterized by rapid technological progress. Organizations that effectively confront this disruption are those capable of promptly adapting, innovating, and embracing new technologies in order to sustain relevance and competitiveness within a dynamic business landscape.

**RESEARCH METHOD**

This study aims to analyse the importance of innovative leadership in improving organisational readiness to face technological disruption. In this study, the researcher conducted desk research so that there was no need to go directly to the field during the data collection process, but rather examine various reference sources that support this research. The literature was obtained from online media and databases from journal portals that match the keywords related to this discussion, namely the importance of innovative leadership in improving organisational readiness to face technological disruption. The author does not focus on specific journal portals or online media in determining relevant reference sources such as referring to Emerald Insight, ResearchGate, and Elsevier journal portals, but is more flexible. In this article, with a focus on the importance of innovative leadership in improving organisational readiness to face technological disruption, the author makes these keywords the focus of the search so as not to widen the main discussion. The search for journals, articles and publications was mostly in the range of articles published between 2010 and 2023. Not all articles, journals and publications that appear in the search results will be used, but only those related to the importance of innovative leadership in improving organisational readiness for technological disruption.

This research is a type of qualitative research. Data collection techniques include listening and recording important information to conduct data analysis through data reduction, data display,
and conclusion drawing to obtain a picture of the conclusions regarding the literature study that will be developed in this study. Data validation uses triangulation of data sources.

RESULTS AND DISCUSSION

Technological disruption has had a pervasive influence on various facets of human existence and the realm of commerce. The advent of rapid technological advancements, including artificial intelligence (AI), the Internet of Things (IoT), big data, robotics, and automation, has significantly transformed organizational operations and introduced novel challenges that necessitate attention (Sudirjo et al., 2023). Given the presence of these technological disruptions, the presence of innovative leadership assumes a critical role in enhancing an organization’s preparedness to adjust and endure within a constantly evolving business environment (Wallin et al., 2022).

In the realm of organizational management, the implementation of innovative leadership practices plays a crucial role in facilitating a comprehensive comprehension of the ramifications of technological disruption on various facets of business operations, operational frameworks, and competitive dynamics within the market. By possessing a comprehensive comprehension of technological trends, visionary leaders have the ability to assist organizations in predicting forthcoming alterations and adopting proactive measures to confront future obstacles (Karwan et al., 2021). The business landscape can undergo significant transformations as a result of rapid technological advancements. Innovative leaders foster an environment within organizations that promotes swift adaptation and the formulation of business strategies that align with the dynamic market landscape (Leso et al., 2023). This necessitates the adaptation of current business models or the development of entirely novel ones in order to maintain competitiveness.

Furthermore, the implementation of innovative leadership within organizations facilitates the maintenance of competitiveness by establishing a distinct competitive edge through the utilization of cutting-edge technology (Namada, 2018). In order to distinguish themselves from competitors and effectively address customer demands, forward-thinking leaders advocate for organizational investments in research and development (R&D) endeavors. These investments aim to foster the creation of innovative products and services.

However, it is worth noting that technology has the potential to enhance organizational efficiency and productivity through the optimization of business processes (Ramdani, 2012). In order to enhance operational processes and promote adaptability, forward-thinking leaders employ this technology to facilitate the redesign of organizational procedures, thereby fostering increased efficiency. In addition to their innovative abilities, leaders have the capacity to cultivate an organizational culture that nurtures and encourages creativity and innovation. They establish a conducive atmosphere that fosters the generation of novel concepts, promotes employee confidence in sharing ideas, and expedites the implementation of innovative ideas. The importance of innovation in addressing technological disruption cannot be overstated, as it serves as a crucial factor in driving progress (Matos et al., 2022). Moreover, the presence of innovative leadership plays a pivotal role in fostering a climate of creativity, ultimately resulting in the development of novel and improved solutions.

The impact of technological disruption on labor demands is significant. In the realm of leadership, innovative individuals prioritize the cultivation of their workforce, ensuring that employees acquire the necessary competencies and expertise that align with emerging technologies. The organization ensures the presence of adaptable human resources capable of adjusting to the dynamic work environment. Technological advancements give rise to ethical and security concerns as well (Beer & Mulder, 2020). The role of innovative leadership is crucial in the development of ethical guidelines and security policies aimed at addressing the potential risks associated with the utilization of technology that could potentially compromise the confidentiality and privacy of customer data (Dwivedi et al., 2022). Additionally, they are responsible for ensuring that the organization conducts itself in an ethical and responsible manner when confronted with potentially contentious technological advancements (Lobschat et al., 2021). Innovative leaders possess a forward-thinking perspective that encompasses a comprehensive understanding of the ongoing
evolution of technology and its impact on the organization. In addition to addressing the present circumstances, these individuals also proactively anticipate and develop enduring strategies to sustain the organization's leadership position in the future.

In light of technological disruption, the presence of innovative leadership is of utmost importance in enhancing the preparedness of organizations. Consultants assist organizations in comprehending the ramifications of technology, adjusting to alterations, enhancing competitiveness, and optimizing business operations (Saarikko et al., 2020). Innovative leaders are responsible for fostering a culture of innovation within their organizations, cultivating a workforce that is adaptable to change, and addressing ethical and security concerns that may arise (Metwally et al., 2019). The ability to maintain relevance and achieve success in the face of rapid technological advancements is facilitated by their strategic long-term vision. Organizations equipped with robust innovative leadership possess the capacity to confront technological disruption with assurance, thereby assuming the role of efficacious change agents within the digital era.

Moreover, the implementation of innovative leadership practices also fosters the inclination of organizations to maximize the utilization of data as a valuable resource in the midst of technological disruptions (Muhammad Tafsir, 2021). The collection of data from diverse sources can yield significant insights into market trends, customer behavior, and potential business prospects. Innovative leaders cultivate robust data analysis capabilities and employ data-driven strategies to enhance the efficiency and expediency of decision-making processes (Abubakar et al., 2019). Moreover, the promotion of innovative leadership within organizations fosters the establishment of strategic alliances and cooperative ventures with external entities such as technology startups, universities, and research institutions (Schweitzer, 2014). By means of these collaborative alliances, organizations are able to avail themselves of the most recent advancements, nascent technologies, and additional assets that can enhance their ability to effectively navigate technological disruptions. In the realm of organizational dynamics, it is widely recognized that innovative leadership plays a pivotal role in propelling digital transformation initiatives. They ensure that technology is effectively implemented and seamlessly integrated into all business processes. The utilization of integrated digital systems has the potential to enhance operational efficiency, expedite procedural workflows, and deliver enhanced customer experiences (Attaran & Celik, 2023).

The implementation of organizational change in response to technological disruption is frequently impeded by various obstacles (Kivimaa et al., 2021). Innovative leaders possess the requisite abilities to surmount obstacles associated with change and motivate employees to adopt and embrace said change. The management comprehends the concerns of the employees and effectively communicates in order to enhance the willingness to embrace change with greater ease. Innovative leadership fosters an organizational culture that promotes ongoing learning and adaptability. A learning organization is characterized by its dedication to the pursuit of novel knowledge, the recognition of potential avenues for innovation, and the effective implementation of acquired knowledge. By adopting the characteristics of a learning organisation, companies can effectively adapt to technological disruption and maintain their relevance, ultimately leading to their success and growth. In contrast, forward-thinking leaders are consistently seeking out opportunities for innovation that can provide the organization with a distinct competitive edge. The individuals exhibit creative and proactive thinking in their pursuit of innovative methods to utilize technology for enhancing the organization's products, services, or processes (Binnewies et al., 2007). Moreover, the advent of technological disruption entails inherent risks, such as the exposure to cybersecurity threats and susceptibility to malicious attacks (Jang-Jaccard & Nepal, 2014). In the realm of innovative leadership, the prioritization of security is deemed crucial, prompting the development of strategic approaches to effectively manage the potential risks entailed in the utilization of technology. This encompasses the allocation of resources towards the enhancement of security infrastructure, imparting comprehensive training to employees regarding effective security protocols, and ensuring adherence to relevant regulatory frameworks.

Essentially, the presence of innovative leadership significantly contributes to enhancing an organization's preparedness in the face of technological disruption. In light of a comprehensive comprehension of the ramifications of technology, forward-thinking leaders facilitate the
adaptation of organizations to the swiftly evolving business landscape. The organization fosters a culture that promotes innovation, effectively utilizes data, establishes strategic partnerships, and successfully implements digital transformation initiatives. In addition to surmounting obstacles to change, innovative leaders possess the ability to establish learning organizations and discern opportunities for innovation. Organizations guided by visionary leadership have the potential to utilize technology as a means to enhance operational effectiveness, foster competitiveness, and achieve sustained success amidst the prevailing era of technological disruption.

CONCLUSION

Based on the aforementioned analysis, it can be inferred that innovative leadership significantly contributes to enhancing an organization’s preparedness in confronting technological disruptions. The business landscape has been significantly altered by technological disruption, necessitating organizations to embrace innovative strategies in order to maintain their relevance, competitiveness, and sustainability within this ever-changing environment. In the realm of organizational management, innovative leadership plays a pivotal role in facilitating comprehension of technology’s influence, navigating the dynamic business landscape, and enhancing competitiveness through the cultivation of a distinct competitive edge via innovation. Furthermore, they engage in the optimization of business processes, the development of adaptable human resources, and the establishment of an environment conducive to fostering creativity and innovation. In addition to encountering ethical and security dilemmas associated with technology, innovative leaders also formulate a forward-thinking vision for the future of the organization. Based on the aforementioned information, the following recommendations are proposed for organizations in response to technological disruption:

a) Invest in Innovative Leadership: Organisations should actively seek and develop leaders with innovative skills and vision. Innovative leaders will be the key drivers for digital transformation and positive change in the organisation.

b) Supportive Environment for Innovation: Create an organisational culture that encourages creativity and innovation. Incentivise employees to share ideas and implement innovative ideas.

c) Monitoring Technology Trends: Always monitor the latest technology trends and evaluate their impact on your business. With a deep understanding of technological changes, organisations can better anticipate and respond to changes.

d) Focus on People Development: Prioritise employee development in the face of technological change. Provide the necessary training and education to improve skills and knowledge relevant to new technologies.

e) Collaborate with External Parties: Build partnerships and collaborations with tech startups, universities, and research institutes. Collaboration with external parties can help organisations gain additional insights and resources in the face of technological disruption.

f) Implement Digital Transformation: Implement holistic digital transformation in all business processes. The integrated use of technology will increase the efficiency and competitiveness of the organisation.

g) Manage Risk and Security: Pay attention to data security and technology infrastructure. Managing risk and security effectively will protect the organisation from potential threats arising from technological disruption.

h) Be a Learning Organisation: Support continuous learning across the organisation. Technological change is an ongoing process, and learning organisations will be able to continue to adapt quickly.

Organizations can enhance their preparedness for technological disruption, capitalize on opportunities, and sustain competitiveness in a rapidly evolving business landscape by implementing the aforementioned recommendations and cultivating robust innovative leadership.

REFERENCES


