

The Influence of Leadership Styles on Organizational Performance and Innovation: Empirical Study in Information Technology Sector in Spain

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Abstract : Leadership is an important drive that plays a key role in the success and development of organizations, particularly in the current context of digital transformation, highly competitiveness and globalization. Leaders are persons that hold a dominant and privileged position within an organization, field, or sector of activities and are able to manage, motivate and exercise a high degree of influence over others in order to achieve the institutional goals. They achieve commitment and engagement of others to embrace change, and to make good decisions. Leadership studies in higher education institutions have examined how effective leaders hold their organizations, and also to find approaches which fit best in the organizations context for its better management, transformation and improvement. Moreover, recent studies have highlighted the impact of leadership styles on organizational performance and innovation capacities, since some styles give better results than others. Effective leadership is part of learning process that take place through day-to-day tasks, responsibilities, and experiences that influence the organizational performance, innovation and engagement of employees. The adoption of appropriate leadership styles can improve organization results and encourage learning process, team skills and performance, and employees' motivation and engagement. In the case of case of Information Technology sector, leadership styles are particularly crucial since this sector is leading relevant changes and transformations in the knowledge society. In this context, the main objective of this study is to analyze managers leadership styles with their relation to organizational performance and innovation that may be mediated by learning organization process and demographic variables. Therefore, it was hypothesized that the transformational and transactional leadership will be the main style adopted in Information Technology sector and will influence organizational performance and innovation capacity. A sample of 540 participants from Information technology sector has been determined in order to achieve the objective of this study. The Multifactor Leadership Questionnaire was administered as the principal instrument, Scale of innovation and Learning Organization Questionnaire. Correlations and multiple regression analysis have been used as the main techniques of data analysis. The findings indicate that leadership styles have a relevant impact on organizational performance and innovation capacity. The transformational and transactional leadership are predominant styles in Information technology sector. The effective leadership style tend to be characterized by the capacity of generating and sharing knowledge that improve organization performance and innovation capacity. Managers are adopting and adapting their leadership styles that respond to the new organizational, social and cultural challenges and realities of contemporary society. Managers who encourage innovation, foster learning process, share experience are useful to the organization since they contribute to its development and transformation. Learning process capacity and demographic variables (age, gender, and job tenure) mediate the relationship between leadership styles, innovation capacity and organizational performance. The transformational and transactional leadership tend to enhance the organizational performance due to their significant impact on team-building, employees' engagement and satisfaction. Some practical implications and future lines of research have been proposed.

Keywords : leadership styles, transformational leadership, organisational performance, organisational innovation

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