Organizational Transformation Through Business Innovation and Disruptive Technology: Value-Based Leadership in Shaping a Dynamic and Adaptive Organizational Culture

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Abstract. In an era of globalization and rapid technological advancement, changes in the business landscape are becoming increasingly fast-paced and unpredictable. Companies must be able to adapt quickly to remain competitive and thrive. The aim of this research is focused on how companies can integrate business innovation and disruptive technology, as well as how value-based leadership can shape a dynamic and adaptive organizational culture to tackle the challenges of transformation in the ever-changing business landscape. This research method is a literature review with a qualitative approach, focusing on descriptive analysis. The data used in this study are from scholarly articles found through Google Scholar, with a publication range from 2001 to 2023. The study findings indicate that in the dynamic and fast-paced modern era, organizational transformation is key to maintaining relevance and competitiveness. This transformation involves the adoption of business innovation, the implementation of disruptive technology, and the development of value-based leadership. By combining these three aspects, an organization can create a dynamic and adaptive environment, where change is seen as an opportunity for growth.

Keywords: Organization, Business Innovation, Disruptive Technology, Leadership, Value

1. Introduction

In the era of globalization and rapid technological advancement, transformations in business structures and dynamics have become increasingly dynamic and unpredictable [1]. The alignment of companies with these changes is crucial to maintain competitiveness and expand market reach. Rapid adaptation to market trends, product innovation, regulatory changes, and new technologies is imperative for companies aiming to win the competition and gain a competitive edge [2]. With a quick focus on the rapidly changing global context, organizations must be able to develop flexible and responsive adaptation strategies, enhancing their capacity for operational flexibility and competitive advantage.

Disruptive technological advancements such as artificial intelligence (AI), the Internet of Things (IoT), and blockchain have fundamentally altered the business landscape, triggering transformations in operational strategies and customer interactions across various industry sectors [3]. Through the integration of these technologies, organizations can achieve higher levels of efficiency across various operational aspects, from manufacturing to supply chains, while optimizing resource management and business processes. Additionally, the adoption of these technologies facilitates the realization of new product innovations and services, opening up new opportunities to address market challenges and meet evolving customer needs.

The role of leadership in managing and navigating organizational transformations has become a critical aspect in facing the rapid and complex changes of the contemporary era. Effective leadership demands more than just managerial skills; leaders must be able to carry long-term visions, inspire creativity and innovation throughout the organization, and shape a culture that is adaptive and responsive to change [4]. In this context, leaders are faced with tasks that go beyond change management; they also require the ability to motivate and mobilize people within the organization towards achieving shared goals.

A dynamic and adaptive organizational culture plays a crucial role in anticipating and responding to ongoing changes in an increasingly complex business environment. A culture that facilitates experimentation,
learning, and adaptation serves as the foundation for companies to maintain relevance and competitiveness amidst rapidly changing markets [5]. Such a culture creates an environment where innovation is encouraged, and new ideas are welcomed with enthusiasm, driving creativity and cross-team collaboration. Moreover, the presence of an adaptive culture also strengthens the company's attractiveness to individuals seeking opportunities for continuous development and learning, creating a dynamic work environment that enables sustainable professional and personal growth for organizational members.

The role of leadership powered by values such as integrity, diversity, and sustainability becomes increasingly prominent in guiding comprehensive organizational transformation processes. Leaders who can internalize these values into the structure of organizational culture open doors to enhancing intrinsic motivation among employees, strengthening their engagement in achieving shared goals, and building strong bonds between individuals and the company's vision. By emphasizing integrity in all aspects of decision-making and actions, leaders create a solid foundation for trust and transparency among organizational members, which in turn supports the creation of an inclusive work environment and supports individual growth [6]. Therefore, the purpose of this research is focused on how companies can integrate business innovation and disruptive technology, and how value-based leadership can shape a dynamic and adaptive organizational culture to address the challenges of transformation in the ever-changing business landscape.

1.1 Organization

An organization refers to a structured entity, whether it be a company, institution, or group, with a specific purpose and members who work together to achieve that purpose. Organizations can take various forms, ranging from commercial businesses, non-profit organizations, government entities, to civil society organizations [7]. Within an organization, there exists a hierarchical structure that governs the division of tasks, responsibilities, and authorities among members, with the aim of creating effective and efficient cooperation in achieving set visions and missions [8]. Additionally, organizations create a unique culture, consisting of values, norms, and practices that influence the behavior of members and shape collective identity. In the dynamic business environment, organizations must also be able to adapt and evolve according to changes in markets, technology, and environmental demands, ensuring their long-term sustainability and success [9].

1.2 Business Innovation

Business innovation refers to the process of developing and implementing new ideas, products, services, or business models aimed at enhancing value for the company, customers, or other stakeholders. It involves the renewal or creation of existing strategies, operational processes, technology, or business models. Business innovation can take various forms, from the development of new products or services, optimization of internal processes, to the development of new and disruptive business models [10]. The primary goal of business innovation is to create competitive differentiation, improve operational efficiency, respond to market changes, and better meet customer needs and expectations compared to competitors [11]. Business innovation can also encompass aspects such as increased creativity, discovery of new markets, use of advanced technology, and adaptation to global trends affecting the industry. By strengthening business innovation capabilities, companies can maintain their competitiveness, expand market share, and create long-term value for all stakeholders [12].

1.3 Disruptive Technology

Disruptive technology refers to types of technology that disrupt or fundamentally change how an industry operates, create new business models, and replace existing technologies. This technology often emerges rapidly and significantly changes existing paradigms within a particular industry or field [13]. Examples of disruptive technologies include artificial intelligence (AI), Internet of Things (IoT), blockchain, and bioinformatics technology. These technologies not only introduce new innovations but also influence how companies interact with customers, manage supply chains, and optimize overall business processes [14], [15]. The impact of disruptive technology can be extensive, ranging from changing how consumers shop to creating new opportunities for efficiency and creativity in production [16], [17]. For companies unprepared to face these changes, disruptive technology can pose a serious threat, while for those capable of integrating it effectively, this technology can be a valuable resource for achieving competitive advantage and long-term growth.

1.4 Leadership

Leadership refers to the process of influencing, guiding, and directing individuals or groups in achieving specific goals [18]. It involves the use of communication skills, strategic vision, and motivating personalities to influence the behavior and performance of others. Leadership is not only about having formal power or authority but also about building trusting relationships and motivating others to innovate, collaborate, and
achieve desired outcomes. There are various leadership styles, ranging from authoritarian, democratic, to transformational, each with different approaches to influencing subordinates [19]. Additionally, leadership involves the ability to manage conflict, make appropriate decisions, and address challenges in rapidly changing environments. An effective leader can inspire, guide, and develop the potential of individuals within the organization, creating a positive work culture, and facilitating sustainable change to achieve shared visions and missions [20].

1.5 Value

Values refer to principles or beliefs considered important or prioritized by individuals, groups, or organizations [21]. These values form the basis of behavior, decisions, and social interactions, and influence how individuals and organizations operate and interact with their environment. Values can be abstract concepts such as integrity, fairness, and diversity, or they can be related to concrete things such as hard work, teamwork, and environmental sustainability. The importance of values in the organizational context lies in their role in shaping a unique organizational culture, guiding the decisions and behaviors of organizational members, and creating a collective identity that distinguishes one organization from another [22]. In the context of leadership, value-based leadership emphasizes the importance of instilling and practicing values considered important within the organization, thereby creating a productive, inclusive, and goal-oriented work environment. By understanding and strengthening the values underlying the organization, leaders can motivate employees, strengthen organizational identity, and guide change towards desired outcomes.

2. Method

The research method employed in this study is a literature review with a qualitative approach, focusing on descriptive analysis. The data used in this study are derived from scholarly articles found through Google Scholar, with a publication range from 2001 to 2023. The initial stage of the research involves searching for relevant articles on the research topic using appropriate keywords. After the search process, a strict selection of articles meeting the inclusion criteria of the research, such as relevance to the topic, accuracy, and methodological quality, is conducted. Out of 50 articles initially found, only 31 articles meeting the strict selection criteria are used as the basis for analysis in this study. Data from these articles are then analyzed descriptively to explore the main themes, trends, and significant findings related to organizational transformation through business innovation and disruptive technology, as well as the role of value-based leadership in shaping a dynamic and adaptive organizational culture. Descriptive analysis is conducted by summarizing and systematically presenting the information found in these articles, with the aim of gaining a comprehensive understanding of the researched topic.

3. Result and Discussion

In this dynamic and fast-paced era, organisations are faced with the pressure to adapt and evolve to remain relevant in an ever-changing environment. Organisational transformation becomes a key imperative to maintain competitiveness and relevance in a competitive market. However, transformation alone is not enough. Organisations also need to embrace innovative approaches to running their businesses, and leverage disruptive technologies as catalysts for growth. By doing so, they can face challenges and seize new opportunities more effectively.

Business innovation is a fundamental pillar in inspiring successful organisational transformation [23]. This process involves a strategic and adaptive creative discourse, where organisations create new products, services and processes that not only meet needs, but also add significant value to customers. In this context, leaders responsible for the direction of the transformation must demonstrate a clear vision, the ability to motivate, and the skills to embrace and capitalise on change. All of these aspects are key in galvanising innovative spirit and achieving sustainable results.

Disruptive technologies, such as artificial intelligence (AI), cloud computing and the Internet of Things (IoT), have become the main driving force behind organisational transformation in the contemporary era. With their ability to significantly improve efficiency, these technologies are not only changing the way we work, but also paving the way for unprecedented innovative breakthroughs. With greater access to data and more sophisticated analytics, organisations can identify new opportunities and optimise their processes in a more effective way [24]. However, to reach the full potential of these technologies, strong leadership and a clear vision are needed to guide organisations through this complex and often challenging transformation. With the
right direction, disruptive technologies can be a powerful tool to achieve an organisation's strategic goals and ensure sustainable growth amidst continuous change.

Amidst the transformation currents encompassing the business and technology domains, value-based leadership has increased its significance and relevance. Values woven into an organisation's culture become the moral and ethical foundation that gives direction to behaviour and decision-making. Values-centred leadership ensures that innovations and technological advancements are used with a meaningful and positive purpose for all stakeholders, beyond the mere achievement of financial gain [25]. By placing these values at the forefront of strategy and action, leaders are able to create an environment where sustainability, social responsibility and shared prosperity are top priorities. In this context, values-minded leadership not only directs change, but also fosters a culture that promotes integrity, fairness and sustainability, bringing broad and long-term positive impacts to the organisation and society.

In embedding a dynamic and adaptive organisational culture, the proactive role of leadership is vital. Leadership must lead the effort in shaping an environment that stimulates creativity, where failure is considered an important step in the learning process, and collaboration is prioritised. In essence, a culture that encourages innovation and experimentation is a key foundation in maintaining organisational relevance and competitiveness amidst the challenges of inevitable change [26]. Through a commitment to these values, leaders shape a culture that promotes opportunities for exploration and development of ideas, fosters a sense of courage to try new things, and values collaboration as the key to mutual success. In this context, leadership is not only tasked with guiding the organisation through change, but also fostering an environment where innovation continues to flourish and becomes an integral part of the organisation's identity and operations.

In this context, organisational transformation through business innovation and disruptive technologies requires a holistic approach that involves every aspect of the organisation, from the leadership dimension to the inherited culture. Only by demonstrating an unwavering vision, an unwavering commitment to essential values, and the ability to adapt quickly to the dynamics of the environment can an organisation successfully handle and navigate the inevitable changes in this evolving era. By adopting this approach, organisations are able to integrate innovation holistically into their structures and processes, creating a culture where experimentation is valued and failure is seen as a necessary step in achieving long-term success. In addition, leadership that provides clear direction and exemplifies the practice of organisational values is key in motivating and uniting all members of the organisation towards achieving common goals in a rapidly changing environment.

In an organisational transformation process similar to a long journey, a crucial first step is to adopt business innovation as the main engine of change. The concept of innovation is not only limited to the development of new products or services, but also extends to the transformation of internal processes and existing business models. Leaders within the organisation are at the forefront of promoting a culture of experimentation, where new ideas are given room to flourish, ideas are rigorously tested, and even failure is considered an important step in the process towards achieving sustainable success [27]. By providing encouragement and space for creativity and innovation, organisations can not only better capture new opportunities, but also establish a strong foundation for adaptation in the face of inevitable change in this ever-evolving era.

In addition, the importance of disruptive technology implementation as a solid foundation in achieving transformation goals cannot be ignored. The use of technologies such as data analytics, artificial intelligence (AI) and process automation not only have the potential to improve operational efficiency, but also drive quality improvement and open up new opportunities for organisational growth. However, in implementing these technologies, it is essential that the steps taken are in line with the organisation's vision and values. This is necessary to ensure that the impact of using technology provides sustainable benefits, not only from an operational and financial perspective, but also in terms of cultural development and the achievement of long-term strategic goals. By building a solid technology foundation that is integrated with the organisation's vision and values, companies can accelerate their transformation to sustainable success in an era marked by continuous change and innovation [28], [29].

A crucial aspect in the formation of a dynamic and adaptive organisational culture is value-based leadership. Leaders who practice values such as integrity, cooperation, and respect for diversity will become role models that all members of the organisation follow [30]. In addition, they must also play the role of cultural advocates who encourage inclusion, innovation, and personal and professional growth for every individual in the organisation. Through these value-minded leaders, organisational culture can be established as a supportive environment, where collaboration is championed, differences are valued, and individual growth is attended to. Thus, value-based leadership not only provides direction in achieving organisational goals, but also plays an important role in shaping the organisation's identity and image in the wider community.

In addition, it is important for leaders to build strong trust and deep engagement with all members of the organisation. Open and transparent communication practices not only play a role in reducing resistance to
change, but also help build collective commitment to the vision of transformation [31]. With leadership that focuses not only on achieving goals, but also on individual needs and aspirations, organisations can strengthen bonds between team members and foster a culture that supports rapid adaptation to change. Through open interactions and close collaboration between leaders and team members, organisations can create an environment where each individual feels valued, heard and directed towards mutual success. In this context, the importance of leader engagement in inspiring and supporting team members is key in creating a dynamic, inclusive and adaptive culture.

By combining progressive business innovation, the application of advanced disruptive technologies, and leadership based on strong values, an organisation has the potential to create an organically dynamic and adaptive environment. In this context, change is perceived as an opportunity for growth and improvement, rather than a daunting threat. By strengthening this foundation, organisations will be able to adapt and tackle complex future challenges more agilely, and continue to evolve in the face of the dynamics of this rapidly changing era. With an awareness of the importance of balancing innovation, technology and leadership values, organisations can achieve sustainable success in the face of the inevitable flow of change.

4. Conclusion

In today's dynamic and fast-paced era, organizational transformation is paramount to maintaining relevance and competitiveness. This transformation involves the adoption of business innovation, the implementation of disruptive technology, and the development of value-based leadership. By integrating these three aspects, an organization can create a dynamic and adaptive environment where change is viewed as an opportunity for growth. Some suggestions that can be provided include: 1) Adoption of Business Innovation: Organizations need to foster a culture of experimentation where new ideas are encouraged, concepts are tested, and failures are viewed as a natural part of the process toward success. Transformation should encompass the development of new products or services, internal process transformation, and existing business model innovations. 2) Implementation of Disruptive Technology: Organizations should utilize technologies such as data analytics, artificial intelligence, and process automation to enhance efficiency, quality, and unlock new growth opportunities. However, the use of technology should align with the organization's vision and values. 3) Value-Based Leadership: Leaders should practice values such as integrity, collaboration, and diversity, and promote inclusion, innovation, and personal as well as professional growth. Open and transparent communication will help build trust and engagement among organizational members. By adopting business innovation, implementing disruptive technology, and value-based leadership, organizations can create a dynamic and adaptive environment. This will enable them to confidently tackle future challenges and continue to thrive in an ever-changing era.

References


