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**TRANSFORMATIONAL LEADERSHIP
AS A COLLABORATION TOOL.
– CASE: LOGISTICS FORUM**

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Tiivistelmä

Tutkimuksen taustalla on Suomen teollisuutta ja kauppaa palvelevan logistiikkajärjestelmän ja –palveluiden negatiivinen kehittyminen viime vuosina. Alan yritysten kannattavuus on heikko ja strategisen osaamisen kehittäminen on ollut vähäistä. Uudet innovaatiot ovat harvinaisia, verkottuminen ja logistinen yhteistyö on vähäistä. Työn tavoitteena oli tutkia, miten transformatiivisen johtajuuden menetelmät soveltuvat päätöksentekijöitä, viranomaisia ja uusia kykyjä yhdistävän strategisen logistiikkafoorumin muodostamiseen ja yhteistyön tukemiseen ko. verkostossa ja osaamisfoorumeissa.

Tutkimus suoritettiin yhdistämällä muutokseen ja uudistumiseen tähtääviä transformatiivisen johtajuuden menetelmiä osaksi logistiikkafoorumin ja uusien kykyjen verkoston rakentamista. Tutkimusmenetelmänä on käyttäjä- ja tarvelähtöinen nk. tuplatimantti-palvelumuotoiluprosessi, jossa ensin selvitetään lähtökohdat ja ongelmat, näiden perusteella määritellään mahdollisuudet, kehitetään testattava ratkaisu, joka toteutetaan käytännössä. Lopuksi opit prosessista hyödynnetään organisaation toiminnan kehittämisessä.

Työssä kehitettiin uuden osaamisen, oppimisen ja liiketoiminnan kehittämisen malli, jota hyödynnetään osana uusien kykyjen verkostoa. Malli on osoittanut toimivuutensa ja käytännönläheisen vaikuttavuutensa. Työn tuloksina havaittiin edelleen, että transformatiivinen johtajuus on oikea työkalu muutosta ja transformaatiota edellyttävään tilanteeseen, jossa perinteinen palkkioihin, prosesseihin ja mittareihin perustuva johtajuus ei yksin riitä. Lisäksi transformatiivinen johtajuus soveltuu hyvin tutkimus- ja tuotekehitystoiminnan johtamiseen, uuden tiedon ja osaamisen luomiseen sekä yksilöissä olevan kyvykkyyden nopeaan hyödyntämiseen yritysverkostossa. Lisäksi transformatiivinen johtajuus tukee tehokkaasti yhteisen vision ja tavoitteiden muodostamista, niihin sitoutumista sekä verkostoitumista ja oppimista. Erityisen hyvin transformatiivisen johtajuuden laatu ja menetelmät pääsevät esiin palvelumuotoiluprosessissa.

Tutkimus on ensimmäinen kokonaisuus, jossa yhdistyvät transformatiivinen johtajuus ja palvelumuotoilun menetelmät vastauksena toimintaympäristön haasteisiin, strategiseen kehittämiseen ja ratkaisukeskeiseen yhdessä luomiseen osaamis pohjaisessa yritysverkostossa. Logistiikkaympäristön lisäksi Suomessa on suuri tarve menetelmän laajemmalle hyödyntämiselle osana teollista tutkimusta sekä innovaatiojärjestelmän uudistamista.

Asiasanat

Transformatiivinen johtajuus, kasvu, kilpailukyky, muutos, yhteistyö, osaaminen, kyvykkyys, palvelumuotoilu

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Abstract

In Finland the development of logistics environment and services has not been on positive side during recent years. There is significant potential for growth and new business on logistics arena. The research objective of the study was to introduce transformational leadership tools and practices to support establishment of Logistics Forum. The Logistics Forum builds on private-public partnerships, joint visions, know-how forums and implementation networks.

The methodology of the research was based on double diamond service design process, which was facilitated with qualities and tools from the so-called full-range leadership model, focusing more on transformational side over transactional qualities. During this process problem, specified needs and opportunities are identified and translated into concrete value propositions for the customer/interest groups. Finally it also includes the collaborative learning from the development process.

Based on the carried out case research, many insights and benefits were received in linking the service design process methodology and transformational leadership as collaboration tool together into competence development model. It seems that transformational leadership practices and collaborative user originated service design processes complement and support each other really well in networking, R&D co-creation and learning. The situation is like a synergetic symbiosis, where service design process helps and adds value to identification of problem and needs, and transformational leadership helps in focusing the human potential to solutions and maintaining the momentum throughout the process. Furthermore the iterative nature of both keeps the focus on right topics at the right time and ensures the right decisions.

The Logistics Forum can utilise, capitalise, and exploit the positive boost and momentum even more to benefit from novelty and innovativeness of this approach developed herein. Logistics Forum is a network initiative and the introduced competence development model combining new talent with business development purposes seems to fit this transforming environment exceptionally well. With this boost the Logistics Forum acts as a thought leader and change agency for lean and demand driven strategic development work.

Keywords

Transformational leadership, growth, competitiveness, change, collaboration, knowledge, competence, service design

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1 INTRODUCTION

1.1 Research and Development Problem

The aim of the study is to contribute to economic growth and increase competitiveness of the Finnish industry and trade. This aim includes the strategic renewal and competence driven transformation of the Finnish logistics industry to better serve international customers and distribution markets.

There is an emerging interest and need identified in Finland for a strategic private-public logistics development (MINTC 2010, 6-13). This demand has emerged along with the rapidly changing international business environment and identified megatrends illustrated in figure 1 below. These megatrends are identified, gathered and distilled empirically by the author from various informal, open agenda discussions with business executives, decision makers, government officials and entrepreneurs during autumn 2014 – spring 2015.

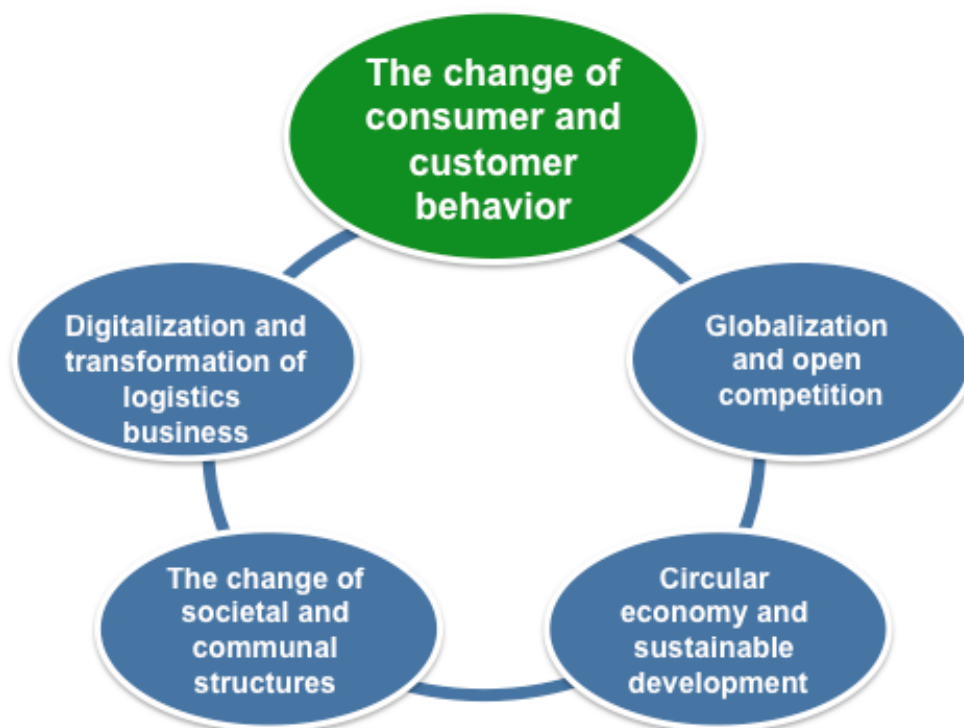


Figure 1. Megatrends affecting logistics environment and business (Devlog Oy).

Figure 1 illustrates the megatrends, which have a strong impact on logistics environment, and logistics service industry, meanwhile they also create new business opportunities and change existing business models. These mega-

trends are interlinked, increasing the significance of each other, and together creating a situation that requires evolutionary approaches and transformative concepts to change the existing business and service paradigms.

At the same time, with megatrends transforming the business arena, in discussions with several business executives, it is estimated that individual companies can effect and decide half or less than half of the issues regarding their logistics competitiveness (MINTC 2012, 6-7). This necessitates joint efforts and endeavours to enable the new paradigm of enhanced efficiency, growth and renewal. Private-public development initiatives and international co-operation projects have proved to be successful in development of logistics, and thereto-related operational preconditions, for example in the Baltic Sea Region. Also European Commission is investing heavily in development of logistics and traffic infrastructures, e.g. TEN-T network, Horizon 2020, ESIR.

Several Finnish companies, e.g. 3 STEP IT, Containerships, DHL, Finnair, Port of Helsinki, SRV and Tori.fi, and their C-level executives have expressed a mandate to establish a strategic logistics development forum. The vision is to create significant growth through:

- Stimulating new business,
- Enhancing export,
- Supporting establishment of international businesses in Northern Dimension, and
- Increasing competence and logistics know-how.

It is considered that the Finnish industry and trade along with logistics service sector could benefit more from megatrends and geopolitics. The picture below positions Finland as a North-European Logistics Centre.



Figure 2. Finland as a North-European logistics centre (Devlog Oy).

Figure 2 shows the central geopolitical location of Finland in the heart of Northern Europe. The concept of Northern Dimension (Ministry of Environment 2006, 16), introduces Finland in the middle of the large emerging business potential between North and South and East and West, which can be utilised and exploited. The capitalisation of this position translates into more international and localised businesses, services and value flows utilising the networks and infrastructures in Finland and Helsinki HUB.

1.2 Research and Development Objective and Limitations

According to the newly appointed government (29.5.2015), Finland's GDP is decreasing four years in a row; Finland has the weakest economic development in Europe and a sustainability gap of EUR 8-10 billion (Finnish Government 2015, 16). The economic situation and development in Finland during recent years (mainly after financial crises originating in 2007-2008) show that the earlier ways to attract growth and innovation are not effective anymore as such. With a specific geopolitical location logistical environment is considered to be an important contributor to attractiveness and competitiveness of Finland (MINTC 2012, 25).

The research objective of the study is to introduce transformational leadership tools and practices to support the establishment of the Logistics Forum. The

Logistics Forum builds on private-public partnerships, joint visions, know-how forums and implementation networks. The ecosystem characteristics of the Logistics Forum are illustrated in figure 3 below.

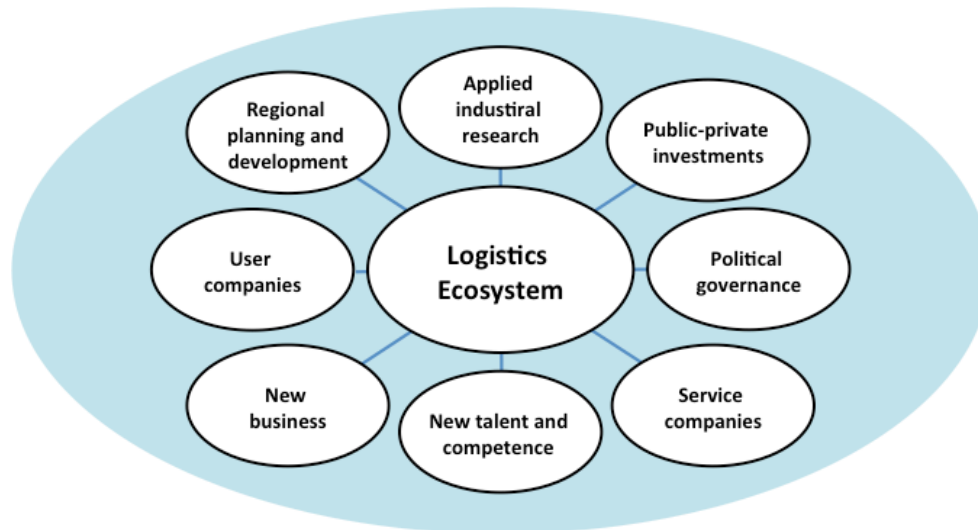


Figure 3. Network of logistics ecosystem (Devlog Oy).

The development and implementation network of the Logistics Forum is presented in figure 3. Moreover the network nature of the ecosystem means development of strategies and collaboration cultures. These aim towards establishment of new international knowledge, more competence and business innovations in Finland. The author has over 15 years of experience in consultative strategy and development work. During this career on corporate arena, and serving business networks, the author has found out that more agile, collaborative and result driven development modes are required. Logistics Forum is a vision-based initiative, aimed to bring about a private-public business growth and innovation incubating solution for the development needs of logistics environment.

It is acknowledged that other theoretical and practical approaches and endeavours exist to develop business and logistics environment. However it is also recognised that generally the aims and objectives of these initiatives are very operationally detailed, limiting the scope and possibilities. Furthermore, the application area can be regionally and/or operationally restricted. The Logistics Forum is unique in its holistic and strategic approach, incorporating business environment analysis, capacity building together with business, and

service development activities establishing one conceptual ecosystem. The strategic aims of the Logistics Forum are summarised in figure 4 below.

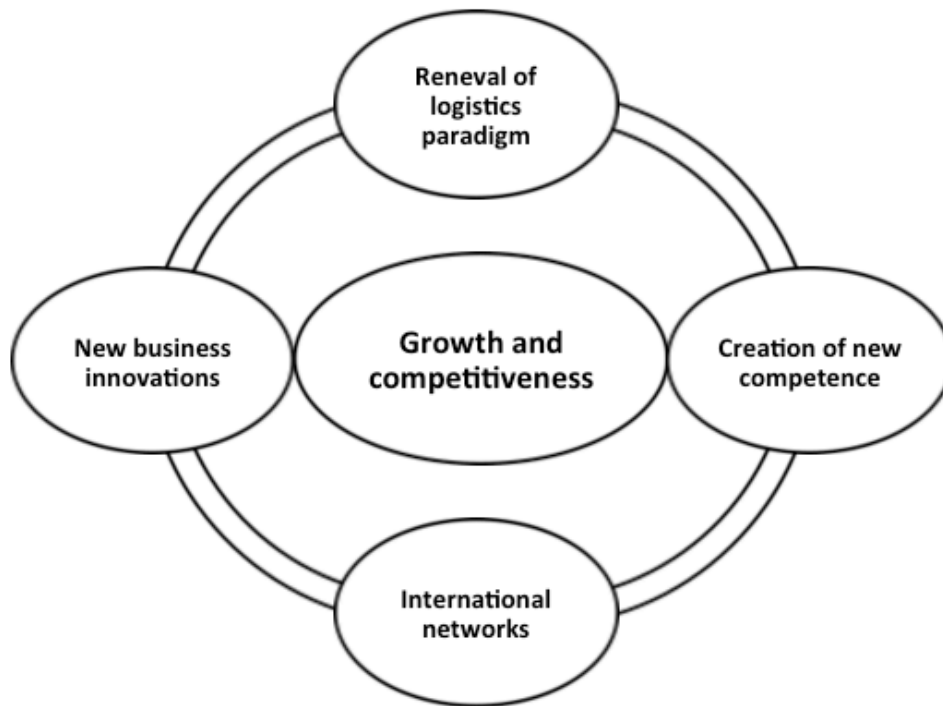


Figure 4. Aims of Finnish Logistics Forum (Devlog Oy).

Figure 4 highlights growth and competitiveness aims of Logistics Forum. The four corner stones add to this specified aim. The core aim has linked objectives, which are considered to contribute and interact with the main aim. In this research the focus is mostly on competence and renewal aspects.

It is noted that change management and transformation have several general managerial considerations linking, e.g. to financial and legal issues, but here the perspective is kept more on scope of managerial leadership in respect to the Logistics Forum development work. Research and development objectives are consequently approached from human perspectives – questions such as how to make a difference, and how to transform creativity and performance with people, being the main focal points.

This study does not go into details of grounding the aims. Neither does it go into substance details of logistics operations and/or demand-supply chain/network management. The focus of this study is solely on facilitating change and fostering the co-creative and collaborative process of development of Logistics Forum.

1.3 Research and Development Question

The research question of the study is: **how to foster collaboration with transformational leadership in the development of Logistics Forum?**

Transformational leadership is considered to create the main conceptual basis, competence faculty and change facilitator of business paradigm renewal.

The research question builds on the structural change and transformation needs, which are compellingly present in Finland and in the business and logistics environment of industry and trade.

The logic here is that, only through the change in thinking and behaviour one is able to respond and meet challenges of the changing world. The transformation towards the paradigm of growth requires transformational leadership practices to enable change – in people and with people. As there is a vision of new paradigm of growth, there should also be a toolbox available how to ensure action with this vision.

There is only little, if any research, on full-range transformational leadership combined with and applied in a private-public collaboration forum development. Usually transformational leadership is studied and applied in closed environments, encompassing an organisation, a department, or an activity. Here the forum is a network of various private and public organisations and people in different positions.

In order to renew business paradigms, new vision-based competence is needed. In order to communicate the visions, and to distill the values into development work, transformational leadership is required to support the process. People need to be involved to receive business benefits, and to make the necessary business paradigm shifts. From this setting, the conceptual themes and topics to be analysed include:

1. Change and transformation,
2. Transformational leadership (TFL) and
3. R&D and business innovations.

2 THEORETICAL BACKGROUND

The aim of this chapter is to present a theoretical background to frame, and to support the research done. This chapter reviews and presents a current snapshot of relevant literature and studies on concepts herein. The topics to be discussed include change and transformation, transformational leadership (TFL) and R&D together with business innovations. The literature review is grouped to three main sections accordingly. In addition as the fourth section, a conceptual framework is presented.

2.1 Change and Transformation

In this section the origin of change and transformation are studied. Prominent meaning of the concepts is then discussed from modern history and economic perspectives linking it to transformation concepts and evolution of businesses and companies.

The word *transformation* has a Latin origin, comprising of two words: *trans* and *form* (Oxford 2010, s.v. *transformation*). *Trans* means across, beyond or through something. *Form* is among others a configuration and a particular way to exist. As a verb *form* means to bring together certain parts or combine to create. Consequently transformation is a marked change in form, nature or appearance. It also refers to a metamorphosis during a life cycle. Something, which exists, turns into something else.

Easterlin (2009, 15-29) presents the economic transformation of humanity as distinctive epochs, describing them as prehistoric (until 8 000 B.C.), settled agriculture (until 1750 A.D.) and modern economic growth period of time (from 1750 onwards A.D.) Compared to the earlier periods of time, the ongoing last epoch has been a transformation story of growth, progress and speed in several ways. Noteworthy is that the period for doubling the world population has been under 100 years, and the time in which income per capita has doubled was less than 40 years. The reasons behind this transformation and growth are mainly reasoned with knowledge both in the interlinked areas of technology and science. They also indicate that in economic transformation processes

take time and systemic changes do not evolve over night, compared to e.g. political transformations.

Rosenberg and Birdzell (1986, 6-20) state that the economic growth has been gradual and that several other human, but not so flattering characteristics of behaviour, are important factors that contribute to the triumph of commenced era, especially among the Northern and Western people. They claim that the Westerners have exploited other people and regions in search of prosperity. Nowadays globalisation, driven by a continuous need to grow, transforms and evens the differences between people and markets at least to some extent, while influencing and penetrating all life and businesses one way or another. Gaspar et al. (2014, 40) summarize the major processes and theories of international trade, which all are operational and build a foundation to transforming, evolving global and interconnected economies. Bechtold (1997, 193-194) links the unpredictable nature of modern business environment and chaos theory together by focusing on the evolutionary irreversible characteristics of both: the nonlinear, systemic and transformative change is towards a higher complexity.

On micro levels several external actors and factors driving and contributing to evolution and transformation of a business and industry become visible. These external factors manifest themselves either as impacting directly the operations or indirectly for example influencing via the competitive environment. In the so-called "five forces model" Porter (1991, 100-101) defines success determinants and key drivers affecting the environment and competition. The transformative factors apply regardless whether an emerging and new industry or existing industry is concerned. Based on Porter's model in Finland, to summarise some transformation needs in logistics business environment, following reasons for change can be identified:

- Consumer to consumer commercial platform tori.fi has existed for ca. 5 years (autumn 2015) and it has reached the value of traded goods of EUR 6 billion over this 5 years period, and 1.4 million web pages visitors per week (Tori.fi).

- Growing importance of circular and sharing economy: the potential value is estimated to be EUR 700 billion worldwide (Ellen Mc Arthur Foundation).
- Nordic e-commerce worth is more than EUR 15 billion in 2014 (Postnord).
- Consumer packet traffic demonstrates a 15 per cent growth per annum in 2014 (Postnord).

Regarding the Logistics Forum, the bullet points above show that the transformation and economic development have been at the same time very rapid and gradual. In business the transformation is realised by people in evolving companies. Both internal and external factors contribute to the process. Davidson (1993, 66) refers to a three-phase process model, in which the automation of internal processes shifts later into enhancing customer interaction and relationships, and in the third phase to foster emerging new businesses and competences. However the evolution and transformation are not strictly sequential, because phase one (and two) may continue to exist also in the later phases of two and three. Furthermore Cheyunki and Millard (1998, 274) highlight the importance of combining organisation, technology and processes to bring the business plans and accelerated managerial strategic transformation into effective action with personnel. The Logistics Forum aims to change the existing paradigms with people and R&D and business development processes.

Ocasio & Joseph (2008, 268) state that strategic planning systems evolve closely linked to existing planning systems, grounding the future on realised history of an organisation. Hence as the current CEO is significantly transforming the planning practices, new systems are being established. This insight links transformation and evolution together: new business lines, product and services evolve from what is now, through transformation to what will be in the future. Moreover Burgelman (1994, 53) justifies a point that strategic choices of entering or exiting from business areas based on evolved distinctive competencies, together with dynamic external environment factors, are decisive in explaining why some companies are more successful than others. Additionally Aspara, Lamberg, Laukia & Tikkanen (2011, 643) highlight the system dynamics and the interconnected nature of different elements of a

business model during strategic corporate business transformation including various business units.

Bjelland and Chapman Wood (2008, 5) categorize and summarise business transformations into five categories.

1. *Holistic model*, in which crises and urgency are initiators to systemic transformational change, which is then planned in detail and managed thoroughly.
2. *Ambidextrous model*, where new opportunities are searched and facilitated in parallel with maintaining the current operations and sustaining the existing business model.
3. *Merger and acquisition model*, in which totally new or complementary business elements are sought and bought or existing ones are separated and sold.
4. *Good to great model*, in which the selection of key individuals and building managerial focus on process development is expected to bring about breakthrough and operational excellence.
5. *Improvisational model*, in which strategic intent is expressed to move organisation forward with improvisation and innovation.

Blackman & Henderson (2005, 54) conclude that if an organisation is a learning one, which continuously builds knowledge and utilises it, it has the challenge of identifying the transformative knowledge from all other information. Consequently transformational change embeds with competitive advantage aspects creating a reflexive feedback loop with the shared mental models in the company learning culture. In case of transformation, the models presented above are often seen also utilised as hybrid models, where several (even 3-4) models are applied simultaneously or sequentially during the transformation (Bjelland and Chapman Wood, 2008, 11). The Logistics Forum is a hybrid development model migrating new information and knowledge together with visionary and transformative thinking and business development processes to

create competitive advantage and impact within the organisation and customer markets.

2.2 From Leadership Research to Full-Range Transformational Leadership

In this section the general concept of leadership is discussed. The topic is approached both from historic and conceptual application points of view. Evidence is given to the fact that transformational leadership (TFL) and related tools provide the best holistic framework for change initiatives. This section has roots in the previous section and it also builds a foundation to the next section of this literature review by positioning the human interaction and relationship in the centre of the desired change and development.

The earliest documented guidelines of how to lead can be traced to Tao the Ching by Lao Tzu and the Art of War by Sun Tzu. In parallel, starting from the history of mankind, the past is full of stories of heroes and leaders, whether religion, war, politics or business is concerned. Carlyle (1840, 5) popularised the man made universal history to a "History of the Great Men who have worked here". James (1912, 123) introduced a concept called meliorism, which builds on the idea that through moral optimism and human effort the world can be made to a better place, still building strongly on character and contribution of an individual in congruence with the environment.

Avery (2004, 4-5) describes the challenges in defining leadership, since no agreed definition exists and ideas and concepts of leadership have been extracted into small loose fragments mainly for scholarly purposes over past decades. While the on-going academic research has several gaps, the world and real life have also changed and continue to evolve in the future too, adding a dynamic element to incoherent theories available.

Regardless of the challenges in defining the *leadership* term and related concepts, as a word leadership refers to action or ability to lead an organisation or group of people (Oxford 2010, *s.v. leadership*). It may also mean the position or state of a person being a leader. Leadership means establishing a direction with aligning and motivating people to move towards the set direction. These definitions make a clear distinction to the term management, where the focus

is to deal with complexity through planning and controlling things, processes and people (Kotter 1990, 4-6). Allio (2013 p. 5) removes the dualism between management and leadership theories by saying that all leaders must manage, just like all managers have to lead. He also makes a point that leadership is elusive: it emerges, disappears, and in general develops over time. Kent (2005, 1010) links the main competencies and functions of leading and managing together making a point that both are needed in modern business.

The German sociologist Max Weber (2007, 157) introduced the concept of *charisma* to be one main component of a leader's power among the followers, in addition to position and perceived competence. *The great man theory* was dominating the early years of leadership research and still evidence and implications of it can be witnessed in the latest research of leader characters in business and politics. The highlighting of certain individual characteristics as decisive success factors is somewhat limiting, since the process of social organisation and quality of leadership take place and manifest as results among group of people (Bass & Bass 2008, 7).

However building on the great man theories personal trait theories became popular from 1930's and 1940's as among others the pioneer American psychologist Gordon Allport (1897-1967) published ideas on personality. Traits are used to characterize and sometimes generally group people by their motives, capabilities and patterns of behaviour. Shedler & Westen (2004, 1743-1744) explain the history: during 1950-1960 several scientists developed the so-called *five-factor personality model*. Meanwhile it is considered to be generally descriptive among laymen, it cannot be considered clinically explicit. Kirkpatrick & Locke (1991, 48-49) make a statement that great men theories evolved into trait theories and furthermore leaders are not common people. They have certain traits, which act as preconditions and guarantees to further steps of taking actions needed by these leaders. Judge & Bono & Ilies & Gerhardt (2002, 766) summarize the qualitative characteristics presented by ten scholars (from Stogdill, 1948 to Yukl, 1998), showing the varied and inconsistent nature of these illustrated qualities. Judge et al. (2002, 775) conclude that meanwhile it is obvious that the qualities of the five-factor model are present with leaders, their correspondence and interaction logic with leadership traits remains puzzled.

After traits in 1950's and 1960's the focus turned from leaders on to the actual behaviour and situation of leadership. Instead of having certain qualities, now the question was about behaviour in respect of followers. These were grouped into leadership styles, and leaders were profiled accordingly. Also the manager effectiveness was considered. This is considered to be the era of behavioural theories. Yukl (1989, 257-260) summarise the behavioural leadership research focus areas under three headings: nature of managerial work (hectic, co-operation, decision making and problem solving), taxonomies around managerial behaviour (e.g. task orientation vs. relationship orientation vs. participative leadership) and how managerial behaviour is linked to effectiveness (e.g. subordinate satisfaction and performance). Despite of vast amount of research, very little can be explicitly said on leadership effectiveness based on behavioural theories.

Contingency theories emphasise the situational and contextual aspects of leadership: what is the nature of work? How is the external environment? Which are the attributes of subordinates? How is the relationship? Mitchell, Biglan, Oncken & Fiedler (1970, 253) review the Fiedler Contingency model presented 1964 with the observation made, that performance is subject to change based on leadership styles and favourability of a situation to the leader. Hersey, Blanchard & Natemeyer (1979, 418-420) make a point that power, and how leaders in various situations use it, has an impact on influence and perception among followers. Yukl (1989, 262) concludes the contingency theories to have two areas of interest: 1. How the situation affects the leader, and 2. How the situation influences leader attributes and effectiveness.

B. F. Skinner (1904-1990) was a Psychologist, who believed that through conditioning and reinforcement people repeat behaviour, which brings about positive experiences, and do not repeat actions with negative results. His research with pigeons (1948, 172) is still today fundamental for many rewarding and reinforcement policies in businesses.

As presented above the early history of leadership and thereto-related behavioural science focused on persons, traits, behaviour and situation from various individual perspectives. A transformational insight to science of management research was also developed.

James MacGregor Burns (1918-2014) was an authority in the leadership research and studies. He built his insights on political science and in his book *Leadership* he saw a major problem in the dualistic nature of interest of leadership and followership (Burns 1978, 3). He introduced the concepts of *transactional and transformational leadership*. Transactional leadership theories build on the foundation that leader utilises among others rewards in exchange of subordinates' performance (Eisenbach, Watson, & Pillai 1999, 83-84). Miner (2006, 363) defines that transactional leader firstly recognizes a reward system regarding work, and tries to ensure that people are compensated accordingly depending on the performance. Secondly, a transactional leader highlights the efforts and rewards for the same and thirdly, responds to present self-interest of a person, as they are linked with getting the work done.

Allio (2009, 7) makes a point that as much as leadership theories and its history as a concept can be studied and taught theoretically, the leadership behaviour must be learned individually. There is an evolutionary element involved in how individuals become leaders: through experiment and integration of new knowledge into leadership style and practice. Stashevsky & Burke (2006, 6) summarize the importance and growing interest of leadership covering factors from global complexity and increasing competitive requirements and including items like increased management and performance expectations with competence and talent retention. It is understood that the human factors are increasing in importance in the changing world.

Miner (2006, 363) refers to Bernard Bass and explains that transformational leaders motivate people to another performance level by raising the level of awareness. Furthermore they increase the consciousness about the meaning and appreciation of targeted outcomes, and ways of reaching them by getting people to transcend their own self-interests for the sake of the team, organization, or larger community, and by altering the need level on Maslow's hierarchy and expanding the portfolio of needs and wants. Miner (2006, 381) rates transformational leadership to be the only "five-star worth theory" of presented ones, making it clear that despite of its gaps it provides a holistic framework on the leadership development arena.

Transformational leadership goes beyond transactional leadership. While rewards and punishments may be in the toolbox (Bass, Waldman, Avolio & Bebb 1987, 74), TFL engages the full person by looking for potential motives and seeks to satisfy higher needs of individual. The result is a relationship of mutual stimulation and elevation (Burns 1978, 4). Transformational leadership is a process of influencing major changes in attitudes and assumptions among the members of an organisation and furthermore building a behavioural engagement towards the mission, the goals and the strategies of an organisation. It is a shared cultural and social organisational transformation process where everyone participates (Yukl 1989, 269). Bass et. al (1987, 86) found transformational leadership behaviours of superiors to have cascading effect in organisations.

Bass & Avolio (1993, 116) make a distinction between a pure transactional and pure transformational organisation and leadership cultures. A summary is presented in the following table.

Table 1. The different characteristics of transactional and transformational leadership.

Topic/style	Transactional	Transformational
<i>Relationships</i>	contractual, explicit	family like
<i>Commitment</i>	short term	long term
<i>Collaboration</i>	work as individuals, negotiate on internal market place	support others, organisation focus, work as a team
<i>Performance standards</i>	all is explicitly defined and priced	joint purpose and goals
<i>Identification with organisation</i>	very little	strongly identify with organisation vision, mission and other people
<i>Innovativeness</i>	low	high, continuous development and learning

<i>Managerial involvement</i>	passive	active
<i>Managerial leadership style</i>	negotiate and allocate re-sources	coach, mentor, facilitate joint vision, lead change, be a role model, include all

Table 1 shows the differences between a purely transactional culture, where everything has a price tag and where individual performance and rewards are highlighted and a purely transformational culture, where the joint vision and shared goals are driving the collaboration. These represent the opposite ends of a leadership continuum and they can be complementary. Kest (2006, 56) places transactional leadership on the axis of management vs. leadership, on the management side away from leadership.

Avolio, Bass & Jung (1999, 460) state that when different types of managerial leadership behaviours are being studied through surveys, it is wise to include at least five dimensions as is with MLQ, Multifactor Leadership Questionnaire, both transactional and transformational aspects can then be covered.

Howell, & Avolio, B. J. (1993, 900) claim that business performance and support for innovation are positively correlated with utilisation of transformational leadership practices, whereas transactional practices were negatively related to business performance. Laohavichien, Fredendall & Cantrell (2009, 20) state that companies, which use both transactional and transformative leadership practices, are more successful and better performers and improve more in quality when compared to companies, which do not utilise these practices on high rate.

McKnight (2013, 106-108) links transformational change and transformational leadership together. In punctuated change scenarios, where incremental evolution is not enough, at first challenge recognition is required. After this transitional strategy is defined. Thirdly, an extensive innovation is required. People are encouraged to think in a radically different way. The fourth phase is about managing change, and in the fifth phase leadership processes are upgraded. Eisenbach et al. (1999, 84) state that transformational and visionary leaders

can successfully change the status quo of organisation in all stages of a change process by displaying and expressing appropriate behaviours and approaches to any given situation. Appelbaum, Habashy, Malo & Shafiq (2012, 768) also migrate the transformational approach to successful change processes as they study it from the perspective of original Kotter change model from 1996.

Kirkbride (2006, 24-27) illustrates the transactional and transformational full-range leadership model, based on the Bass's theory and makes a point, that in order to a manager/leader to make a change and contribute to transformation and performance, more transformational leadership styles are needed. The leadership style indicators of these transformational practices are summarized in the following table.

Table 2. Transformational leadership styles (Kirkbride 2006, 26-27).

<i>Individualised consideration</i>	<i>Intellectual stimulation</i>	<i>Inspirational motivation</i>	<i>Idealized influence</i>
<p>recognizes differences among people in their strengths and weaknesses and preferences;</p> <p>is an "active" listener;</p> <p>assigns projects based on individual ability and needs;</p> <p>encourages a two-way exchange of views; and</p>	<p>re-examines assumptions</p> <p>recognizes patterns that are difficult to imagine;</p> <p>is willing to put forth or entertain seemingly foolish ideas;</p> <p>encourages followers to revisit problems; and</p> <p>creates a "readiness" for changes</p>	<p>presents an optimistic and attainable view of the future;</p> <p>moulds expectations and shapes meaning;</p> <p>reduces complex matters to key issues using simple language; and</p> <p>creates a sense of priorities and purpose.</p>	<p>demonstrates unusual competence;</p> <p>celebrates followers' achievements;</p> <p>addresses crises "head on"; and</p> <p>uses power for positive gain.</p>

promotes self-development.	in thinking.		
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From Table 2 above a few conclusions can be made. *Firstly*, reciprocal interaction is identifiable in many indicators. These qualities emerge and exist between people in discussions and perception. *Secondly*, positive and constructive qualities and future orientation are clearly identifiable in behaviour style and action portfolio. *Thirdly*, these indicators are much solution focused, they emphasise learning, development and progress – there is a going towards element included. Not surprisingly many of the transformational leadership style indicators are identifiable in the core competencies of professional coaching interventions and mentoring activities to facilitate insight and to support growth and performance. Kirkbride (2006, 31) presents that empiric evidence from leadership development suggests, that transformational qualities can best be learned with feedback report on style and behaviour personalised with coaching sessions. Rock & Schwartz (2007, 16) emphasize, from neuroscience perspective, the importance of identifying and creating new behaviours, where self-insight rather than (answer-telling) transactional approach supports learning and creates new perception on surrounding environment and leads to enhanced performance.

The table below summarises five definitions of the transformational leadership concept. Key elements, from the work of various scholars, are extracted in chronological order and the similarities and differences are presented. Differences are considered here from the perspective of uniqueness. It is also acknowledged and noted that other scholarly works and definitions on the matter exist in addition to the ones presented here.

Table 3. Definitions of transformational leadership.

Scholar	Definition of transformational leadership (TFL)	Key elements	Similarities with others	Differences with others
Burns 1978	Transformational leader identifies and	The mutually stimulating, dy-	A leadership axis of transactional	Suggestion is made that there is a bias

	utilises an existing need or demand of potential follower. Additionally leader seeks to identify potential motives and fill higher needs of followers.	dynamic conflict and power relationship between leader and follower, igniting deeper motivation, engagement of follower's full potential, consideration of end-values and moral implications.	and transformational types (opposite ends) is established (Bass and Burns).	in relationship either to transactional or transformational side.
Bass 1985, (Avolio, Bass & Jung 1999)	Full-range leadership model combining both transactional and transformational TFL aspects. Engage motivation and enable performance beyond initial intentions and expectations.	Four domains: individualised consideration, intellectual stimulation, inspirational motivation and idealized influence (charisma). See also differences column.	A suggestion is made that transformational orientation adds momentum and value to transactional leadership (positive correlation).	Transactional elements to the full-range leadership model are added: contingent reward, management by exception and laissez faire leadership (non-leadership).
Tichy & Devanna 1986	TFL is necessary to transform organisations to ensure competitive advantage in changing world.	Three step process of recognizing the need for revitalization and change, creating a new vision and institutionalizing vision.	The importance of transformation with people is emphasised together with visionary leader and mobilising actions towards the vision (Bass, Burns, Leithwood).	Practical and systematic case studies approach and guide to organisational transformation and leadership.
Leithwood & Janzi 2000 (1994,	Building on theories of Burns and Bass: foster capacity development and	Six dimensions: Building school vision and goals, providing	Also transactional elements are included in model: staffing, instruc-	Practical and empiric approach in school environment.

1999)	higher levels of personal commitment to organizational goals on the part of leaders' colleagues.	intellectual stimulation, offering individualized support, symbolizing professional practices and values, demonstrating high performance expectations, and developing structures to foster participation in school decisions.	tional support, monitoring school activities, and community focus (Bass, Kirkbride).	
Kirkbride 2006	Building on Bass: TFL involves the provision of a compelling and clear vision; the mobilizing of employee commitment through personal identification and involvement; and the Institutionalization of organizational change.	Same elements as with Bass. Application of theory in real life training interventions.	Builds on theory of Bass. Distinguishes transactional and transformational behaviours and confirms findings with participants insights (Leithwood).	Coaching and training approach, how to make better leaders and how to empirically and how to operationally increase leadership competence.

It can be seen from Table 3 that very little has changed in the fundamentals of respective research. The early history (Burns and Bass) of transformational leadership prevails and dominates also the definitions and conceptual basis of the later research. The summary also suggests that there is an evolutionary development in scholarly works of the transformational leadership: new research builds solely on the foundations of existing and established theories.

The evidence suggests that the discussion about transformational leadership has not transformed during 30-40 years – the foundations remain solid.

Table 3 above also shows a tendency, where initially the research was about understanding the phenomenon and methodology of transactional and transformational leadership (Burns and Bass). In these works the focus seems to be much on the concepts and methodological contents. The themes are reasoned thoroughly and differences between various leadership styles, qualities and situations are highlighted. Later organisational change (Tichy & Devana) and applied elements in managerial leadership (Leithwood, Kirkbride) have become more interesting topics of transformational leadership scholarly works. The evidence suggests that the research is moving more towards applied settings of case studies and action research.

Many logistics service companies in Finland are in financial crises and turmoil, with low margins, low productivity, low profits and decreased revenues. In this development there is a strong indication that managerial leadership in these companies has focused on transactional issues, neglecting the transformational aspects. This has led to low engagement of professionals, low business innovativeness and to low renewal of company cultures.

2.3 Research and Development (R&D) and Business Innovations

This section discusses the Research and Development (R&D) process. For the purpose of this review the approach is maintained on general process and outcome levels, which means that the substance of individual application, science and research areas are not considered to be a topic of interest. R&D is considered in this context from the strategic perspective of logistics ecosystem.

R&D activities are from inside out driven efforts to make a difference and an impact. These so-called endogenous growth theories from 1960's build on the argument according to which, human capital, knowledge and innovation are important contributors to economic growth. Vazquez Barquero (2010, 54-56) introduce endogenous development paradigm, where a specific territory has at least three dimensions in respect of economic growth and structural change:

1. Economic dimension and entrepreneurial utilisation of local potential,
2. Institutional dimension and integration of economical and social dimensions into a system and network, and
3. Political dimension and local initiatives leading to sustainable growth.

As R&D activities and endogenous growth links to national economies OECD (1997, 11-12) articulates the role and importance of national innovation system from the perspectives of knowledge creation and utilisation. Along companies universities and other higher education institutions are part of this complex and systemic R&D network leading to innovations.

Regarding innovations and society Wagner (2011, 51-56) reports a future society conference, where 750 considered the question of vision into action, from the perspectives of launching an idea or solving a problem. The different paradigms set different qualities and requirements to different businesses. Three big themes emerged as enablers: inspiration, collaboration and engagement of participating people.

From societal context Teece (1989, 39-42) makes a connection between horizontal and vertical co-operation with R&D activities and also emphasizes the collaboration between universities and companies with innovation development and commercialisation. Kaski, Alamäki & Moisio (2014, 168-169) conclude that a well-managed open and participatory innovation process between universities and companies can produce valuable ideas, knowledge and insight even during short two-day time period.

With the Logistics Forum the concepts of innovation and knowledge work are considered important. As a word *innovation* refers literally to making new. Drucker (1999, 84) links continuing innovation and productivity of a knowledge worker together, making a statement that knowledge work is about quality and managing knowledge assets. Cassiman & Veugelers (2006, 80) found empirically that both integrating external knowledge acquisition and creating the right context are decisive for success of innovation work.

The Logistics Forum is an open network initiative. Chesbrough (2004, 24-25) compares closed and open innovation processes to the games of chess and

poker, where with poker the situation is constantly changing like the global environment. The question is about making options for future business, with emerging resources in the future. Tidd (2013, 20-21) illustrates the concept of an *innovation funnel*, where an open innovation process interacts with the outside world in all stages from idea generation, experimentation and engineering into manufacturing, marketing and sales. This also characterises the iterative nature of the modern innovation process.

Guinan, Boudreau & Lakhani (2013, 51) report a case with Harvard, where open innovation practices expanded the knowledge and vision of innovation process as R&D activities were applied in open innovation environment. Raasch & von Hippel (2013, 33) claim that it is a win-win for both sponsors and participating individuals, when volunteer and external resources are involved in innovation process.

Chesbrough (2007, 13-15) defines six business model frameworks as key concepts and competitive, value adding platforms and sources for innovation. On first levels the business models are very much closed and commodity driven, and becoming more contributively interactive and sophisticatedly linked ecosystems as the company moves up the ladders in value chain.

Landau, Drori, Porras & Pasmore (2006, 165-167) link the external environmental aspects and drivers and vision of R&D activities together, by differentiating original vision, survival vision and strategic vision. They claim that if the surrounding environment, R&D vision and managerial leadership are in-sync, success in change and transformation is likely and possible. This approach places the innovation and leadership process at the focal point of R&D. Klimstra & Raphael (1992, 28) make a statement that R&D activities and business strategy must be linked together in R&D intensive industries.

Bryant (2003, 38) defines the difference between transactional leadership and TFL from the perspective of knowledge management: transactional leadership exploits knowledge, where TFL creates and shares knowledge. Both contribute to performance, however creativity and innovation are mainly associated with TFL both on the levels of individual and group. Chi, Lan & Dorjgotov (2012,1015) consider TFL to be the best and strongly moderating leadership

style for research and development organisation activities and operational effectiveness.

Gassler & Nones (2008, 417-419) introduce a programme concept to promote international R&D activities in Austria. The project types included:

1. Network projects, to promote integration of Austrian SMEs and international research institutions,
2. Innovation projects, to promote R&D and technology transfer with both local and partner country SMEs and
3. Training projects, additional measures to promote human resources competences.

The conclusion is that embedding local/regional R&D activities and platforms in collaboration with international MNEs and businesses is a viable strategy for a small economy in global environment.

2.4 Conceptual Framework

In this section the presented theories are summarised and based on this a conceptual framework is presented for the thesis.

The conceptual framework migrates the aspects of the Logistics Forum development network, encompassing individual projects in the framework and the process of transformational leadership. A focus is on the establishment of implementation networks/knowledge forums and facilitating the creation of new competence linked to them.

Due to the novelty and the collaborative network nature, it is recognised that in order to succeed new transformational approaches are necessary to support the needed change and transformation. The collaborative process starts from values and vision and is followed by action, which highlights the transformational aspects of the ecosystem development.

To conclude the discussion about change and transformation, they originate the need to change and to transform. Evolution necessitates more or less transformative changes, making transformation an apparent element in the

modern changing business and life. Transformation takes place in organisations and business networks among others through evolution of scientific knowledge, processes and technology. People and their behaviour are elemental to transformation and to the success of change.

Leadership is generally understood as a theory of how to lead people. The early history of leadership research is a varied and multifaceted topic. As it is evident, that several trends and phases exist in scholarly work, it is also clear that due to the complexity of the topic the interaction with the real life is far from ready. In fact quite little can be applied and implemented from general leadership research in a simple and effective way to make a change in performance and productivity of a business. Transformational leadership theory adds the full range perspective to leadership, making it more holistic and corresponding with real life scenarios in the changing business world.

To summarize the discussion about transformational leadership theory and tools, it is a question of understanding the complete leadership paradigm in broad full-range perspective - from leading the transaction to enabling transformation and change. Secondly, it covers individual awareness and consciousness on various topics such as, reciprocity, vision, strategies, values, motivation, change and learning. Thirdly, it goes around behavioural patterns, emotional intelligence and leadership competencies, how to lead the talents, and how to make a beneficial difference in thinking and actions of others. In short, how to improve performance and how to make organisation and people thrive in their daily lives?

To summarize the discussion around R&D it can be stated that knowledge and innovations are the key-concepts herein. The holistic nature of the Logistics Forum and the development of innovation theories and the surrounding world make open and participatory innovation process a viable option for R&D. This casts a challenge to management and leadership of R&D activities. Consequently TFL is seen as viable solution to the challenge R&D.

Building on the carried out literature review and respective findings the following illustrate the conceptual framework for the thesis.

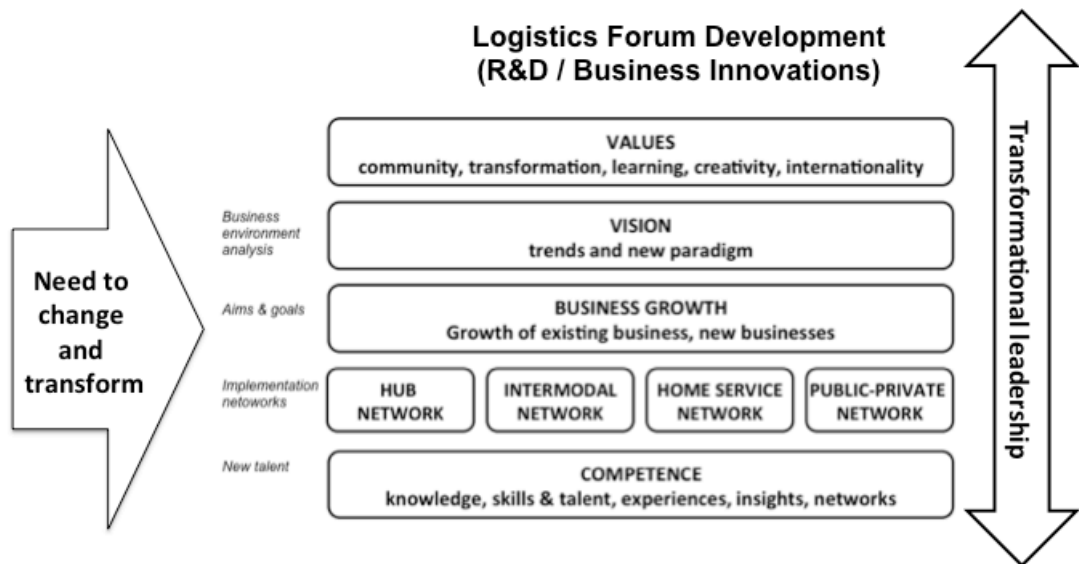


Figure 5. Conceptual framework of the thesis (Devlog Oy).

In Figure 5 above it can be noted that the way things have developed in Finland and in the logistics environment in particular has caused the need for change. The basic driver for the transformation need in the present moment is the ever-changing customer behaviour and business environment, dictating the evolutionary necessity to corresponding change and transformation in order to survive and thrive with the change. Means to enable change, and to establish new performance standards and culture are rooted in transformational leadership. This contributes to the process of endogenous growth in development of strategic the Logistics Forum, which is manifested as R&D and business innovation activities leading towards aims of business growth through a new competence. Individual people change paradigms through visions and behaviour. Futures are created and invented with transformational leadership.

3 METHODOLOGY

In this section, the research setting is briefly discussed from research methodology perspectives regarding research process and data collection and analysis.

3.1 Data Acquisition Methods

The question of quantitative research vs. qualitative research is a highly polarized one. Quantitative research is considered to be objective, focusing on

measurement, numbers and unbiased reporting of results. On the other hand qualitative research is considered subjective, with a close relationship between the researcher and the object of the study in real life scenarios, as life is happening (Abusabha & Woelfel 2003, 566-567).

Even though the philosophies of these research methods are very different, uniting them may be very beneficial. Quantitative research limits the object of research to establish a pre-set operation plan with established hypothesis. Qualitative research is a relevant method, where in-depth information and insight on the big picture is desired. As these philosophies are mixed together, the evident shortcomings of both are minimized. Measurement can be applied to qualitative data and validity of quantified numbers can be increased with qualitative approaches. Also cross-verification of results is possible (Abusabha & Woelfel 2003, 569).

Here with this context quantitative approach offers very little, if any benefits to research setting. The nature of the research question necessitates change and means of transformation into something new. This question is a process of participatory co-creation, which cannot be answered from the historical perspectives with surveys or questionnaires, for example. The research setting includes elements of change, and implementation is subject to be done within the given network, together with application of transformational leadership practices. The need to change, and to transform is boosted by changes in business environment. Hiltunen (2010, 46-61) describes the process of gathering weak signals from the operational environment, which consequently leads to strategic planning and operational activities in respect of creating futures through new knowledge and transformational development of organisation.

Mager (2011, 2-4) combines services and design by generalising the design process to turn ideas into reality, adding tangibility and concrete features into abstract themes. The focus of service design is to ensure that services produced are user/customer oriented and include necessary elements of various interest groups. Mager (2011, 7-10) defines double diamond design process, with four phases of Discover, Define, Develop, and Deliver. The figure below illustrates the four phases of this service design process.

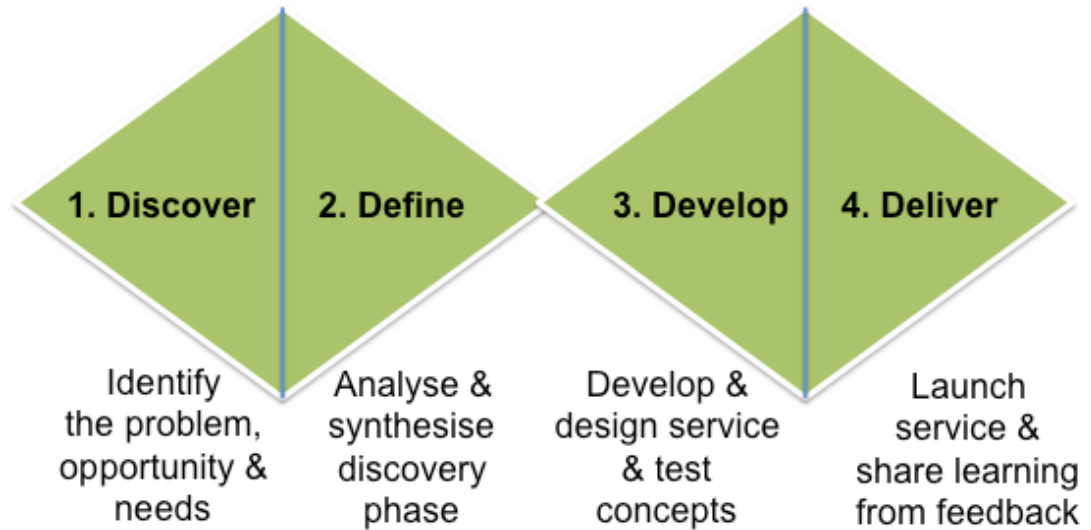


Figure 6. Double diamond design process (Devlog Oy).

Figure 6 above shows the process from specified needs and opportunities into concrete value propositions for the customer/interest groups concerned. Finally it also includes the collaborative learning from the development process. The double diamond process can be applied to the development of Logistics Forum. The research setting encompasses the case study (the Logistics Forum) to illustrate a certain situational case (business transformation and competence development), of business development of bounded network entity, to enable change and to reflect the results in real life scenario (Quinlan 2011, 182). This approach enables the active participation of the author and collaboration with other people and iterative learning process during the work.

As a part of the Logistics Forum, theme focused knowledge and competence forums and implementation networks are being implemented. These forums encompass people, business cases of companies and new concept development. It is also the intention that publications, and new knowledge are later created and several events are organised in networks. To facilitate this new collaboration, performance and creation culture a transformational leadership process is applied in all encounters and interaction. The figure below shows the TFL process between and within implementation networks and competence development.

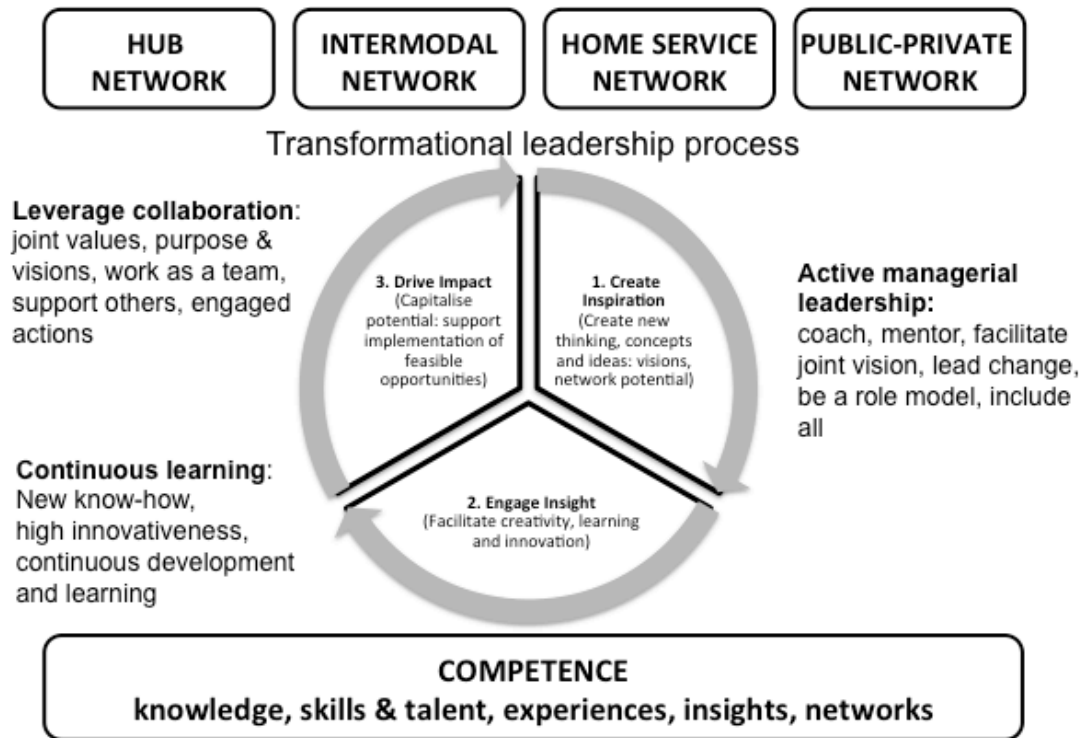
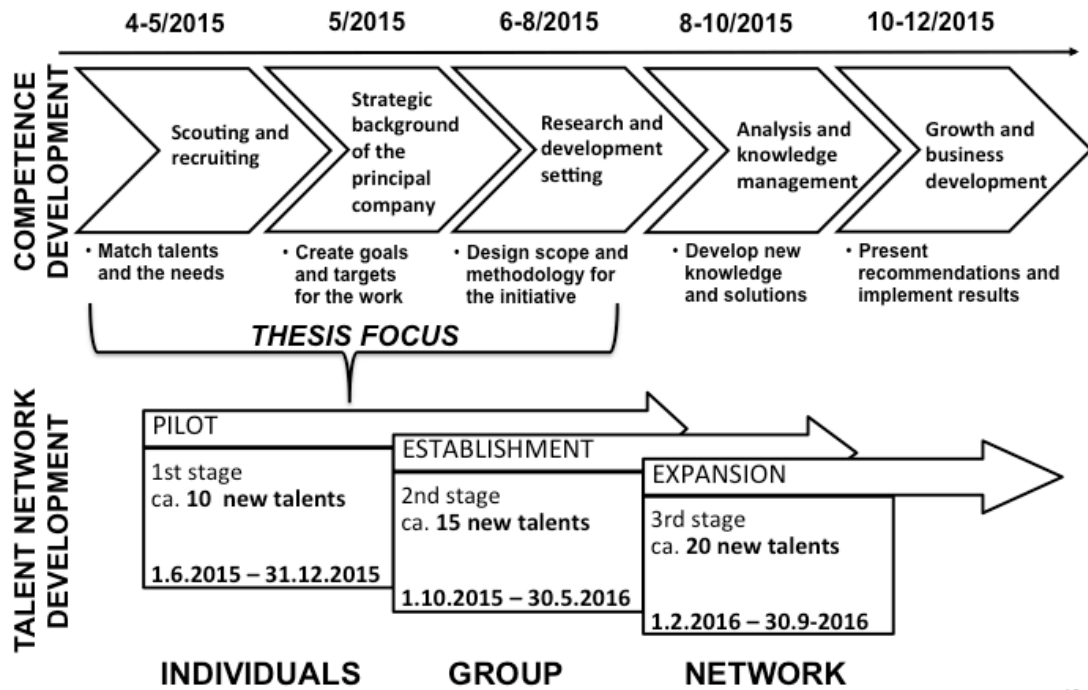


Figure 7. Transformational leadership process of Logistics Forum (Devlog Oy).

Figure 7 above illustrates the applied transformational leadership process for the development of Logistics Forum, with special focus on knowledge forums / networks and competence development.

The Logistics Forum development includes the idea of new competence development, which also is planned to be the initiation of the so called “new talent network”. Within this study the developed transformational leadership process of the Logistics Forum is applied to the early stages of the pilot phase of the new talent network development. The figure below shows the scope of the study and applied TFL process.



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Figure 8. Scope of the study and applied TFL process (Devlog Oy).

Figure 8 expresses that this research is a part of the Logistics Forum's talent network development process aiming to increase competence in the Logistics Forum. TFL process and practices are tested and implemented in real life situations. In the pilot phase there are 7 individuals participating in the program. In addition to these new talents the Logistics Forum also has a secretariat of 3 individuals, who manage and share the TFL methodologies in their daily activities and encounters. A management group of ca. 10 persons accepts and outlines the development strategy of the forum.

Quinlan (2011, 286) states that interviews are used in social constructions, and to collect qualitative data. In this research data is needed from qualitative perspectives. Consequently data is available in the form of open interviews and open agenda development discussions. Participatory observation (Quinlan 2011, 266) is also used to gather data on business development and collaboration aspects. The research setting refers to establishing and creating a strategic Logistics Forum, which also acts as development and collaboration agency with the support of transformational leadership. This makes the setting highly contextual with social network, and with a specific endogenous growth process of business innovations in ecosystem. The interviews and the open

agenda discussions are done both on one-to-one, as well as group basis, to cover the current state and developed plans and strategies.

3.2 Data Analysis Methods

The research question of the study is: how to foster collaboration with transformational leadership in the development of the Logistics Forum? The case study nature and the service design approach bring about a dynamic situation, and an evolving scenario to the data analysis: the studied entity is created and modified with analysis, while the interventions and encounters build on existing states.

Quinlan (2011, 363) suggests that qualitative data is analysed from perspectives of key issues, findings and interconnections between the findings of transcriptions. Here the data analysis focuses on answering and supporting the overall research aim and objectives. A full reference circle is made with data analysis to original research question. Hiltunen (2010, 60) links the issues and trends behind certain signals to development project design and prioritisation. Business environment scanning and data analysis of perceived signals create the urgency to change.

In this research TFL qualities are fitted and tailored into reciprocal co-creation process of Logistics Forum. This network setting offers concrete environment and managerial framework to apply TFL and assess the impacts and implications. To answer the research question, the data is analysed from the following perspectives linking the process to results:

1. Create Inspiration – active managerial leadership
2. Engage Insight – continuous learning
3. Drive Impact – leverage collaboration

Data is analysed from the following aspects (with new talents network):

1. Reaction and satisfaction of participants
2. Learning points of participants
3. Behavioural change of participants

In this research the data analysis follows the four stages process presented by Quinlan (2011, 366). First, the data and findings are described and interpreted linking the findings to the conceptual basis of the work. The focus here is on the strategic background, the transformational leadership and competence development. Then conclusions are drawn on the findings and theorization is conducted to reflect, whether the existing theory supports the research question, and which research suggestions can be made based on the findings and experiences.

3.3 Expected Results

The research setting implies that transformational leadership contributes positively to the collaboration and to the strategic Logistics Forum development in network environment. It also includes the anticipation of new competence and support to endogenous growth process. These community level expectations are backed up in many earlier R&D and leadership case research projects. A strong expectation also focuses on creating engagement and building new potential among new talents network. For the author new managerial insights and leadership competence are anticipated.

4 FINDINGS

In this section the results and findings of the research are presented and explained. The findings are aligned according to the double diamond design process and components of transformational leadership. The figure below describes the framework, where findings are discussed.

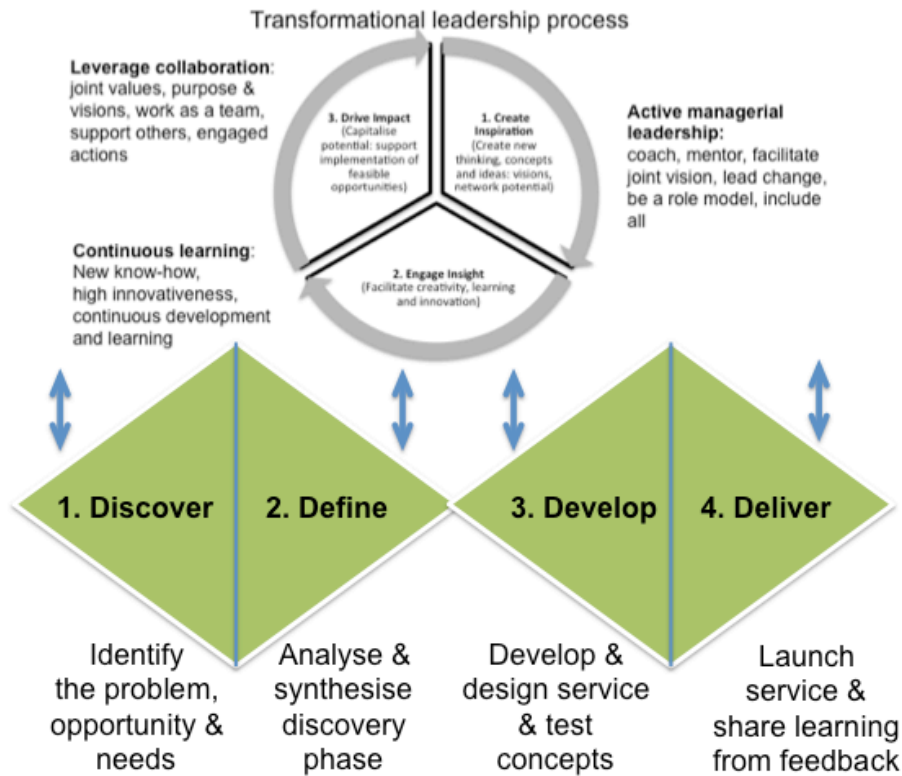


Figure 9. Framework of findings (Devlog Oy).

Figure 9 illustrates the framework of the findings, which are presented from the perspectives of the transformational leadership process included in a double diamond process. The need to change and transform is identified in the discovery phase and the findings of the research and learning implications and outcomes are presented in the delivery phase. In between synthesis is presented and concept development is done. Throughout the double diamond process the three activity groups of transformational leadership (active managerial leadership, continuous learning and leverage collaboration) are applied. Mager (2011, 3) emphasises the importance of collaboration during the service design process. This links the double diamond design process and transformational leadership well together – both are social constructs, where co-creation is in the focal point.

4.1 Discovery Phase

4.1.1 Results of Phase

According to the double diamond design process the discovery phase is to understand the problem and opportunity and to limit the scope of initiative.

The discovery phase was triggered in November 2014; with earlier notions from the management group executives, that something can and should be done to change the course of events in Finnish logistics environment. The initiative of the strategic Logistics Forum in a private-public setting was considered to be the platform for paradigm change of the logistics industry.

The current reality and targeted impacts were discussed 2 times in management group meetings of the Logistics Forum and individual discussions with business executives during 2014 – Q1-Q2/2015. These discussions and earlier negotiations, originating from 2013 on same topics, have encompassed well over 100 organisations. The findings were crystallised by the secretariat in their meetings. The 3 people secretariat had 1-2 weekly meetings to coordinate activities and to develop the initiative. All together ca. 30 meetings were held. In secretariat meetings structure was first to discuss and summarize recent discussions and development actions. Secondly iterative brainstorming sessions were held in meetings, and thirdly next steps and actions were discussed and decided.

The discussions and interviews (ca. 100 enterprises of service companies, industry and trade) with key decision makers showed that renewal and endogenous growth were at a low point. The sentiment of the industry had been at decline for years, and profitability for many companies was very low, if not even negative. In general many companies that had a long track record of business innovation, growth and profitability were in trouble and some even in crisis. It was also noted that the logistics industry and related positions were not considered top priorities for new talents, thinking about their career options and completing their future plans. To summarize, the following problems were noted during executive interviews and discussions with logistics service companies and thought leaders:

- Zero/or low growth in revenues,
- Low margins and declining profitability,
- Among decision makers strategic logistics competence is low,
- New talents are not interested in distribution/logistics aspects,
- Competitive environment is fierce and Finland is considered as a low priority market for many global operators, because of the market size and location, and

- Companies do not invest in strategic development and innovation of logistics / SCM.

Some of these findings above find their reasoning in general economic trends and changes in business environment. Moreover, it was noticed that many managers repeated the same key words as reasons behind for the current situation: economic depression, the situation in Russia / in Europe / in Asia, activities of competitors and the behaviour of the customers, to mention few, were listed as the main reasons behind the problems. In this research the key point was not to find logic or reasons in the course of events, but the generally pessimistic and passive attitudes made also quite clear that there is a substantial potential and opportunity in the market from the Finnish perspective.

Some pioneer companies, like Finnair, Containerships, Port of Helsinki and tori.fi had found that Finland is in a great location, and by looking at the situation from different perspectives, prospering business can be done in this challenging situation and environment:

- Finland is located in the heart of Northern Europe, between East, West, Arctic and Central Europe. The shortest and fastest air connection between Asia and Europe is through Helsinki,
- Finland has a unique position and history with Russia, business opportunities exists for innovative companies, and
- Change of consumer behaviour and digitalisation create opportunities, which can be utilised commercially.

Meanwhile there were noticeably problems in logistics and business environment; there was also clear evidence that business opportunity existed, and that even in the modern world of digital communication many products and services were still highly physical in nature. This highlights the necessity and the importance of logistics services and the strategic competence of this discipline. The discussions with executives around solution space had usually addressed the following topics:

- Companies can solve max. 50% of the logistics environment/distribution challenges on their own,
- Private-Public development activities have great examples, especially on international arena,

- Networks and partnerships are beneficial for activities, which are not core operations, and
- Renewal and transformation require new talent, new competence and new leadership, performance and collaboration cultures.

4.1.2 Reflection of Transformational Leadership Aspects

In the early discussions it was understood that the logistics industry has companies, business cultures, and most of all decision makers, who are too entangled in their own operative experience and historical perception, and too considered about every day transactional survival (usually a very pessimistic and negative outlook for the future) to be able or willing to engage in any sort of strategic development discussions and/or transformational collaboration initiatives. A finding was made that transformation requires attitude, focus, determination and persistence.

This means, that since these persons with transactional focus are in charge and have power to make decisions for companies, they are “deadweight” in a forum/network, whose intention is to make a change. These people understand that a change is mandatory and needed, but they repeat the same thinking and activities from one day to another, believing that they will make a change for better. Usually these people do not seem to understand either the importance of endogenous growth or the possibilities of transformational leadership.

The easiest solution to get rid of this type of inertia in development was to select partners from decision makers with an open and growth oriented mindset, people who think “we can make a positive difference if we choose to”. An intuitive empiric insight is that out of 100 managers max. 10 are leaders, who believe they can make a transformational difference and act accordingly.

In this discovery phase increasing awareness, enabling trust and building commitment were the main attributes of leadership focus. Creating inspiration was important from awareness perspective: meanwhile listing problems and analysing the current situation, it was evidently uplifting to tap on inspiring success stories, benchmarks, and new opportunities now and then. This kept the discussion light and clearly provided some insights and learning for involved parties. Additionally painting some collective future visions and articu-

lating clear paths for development was uplifting and obviously new for many executives, since they had considered the matters only from their company's perspective.

Open discussion and a coaching style approach, where a person's own thinking is the focal point, was very beneficial in gaining new horizons and perspectives for the future. Transformational leadership also supported well the collaboration aspects, when a collective sense of "being in the same boat" became evident for involved executives and experts.

4.2 Definition Phase

4.2.1 Results of Phase

According to the double diamond design process the definition phase is to synthesize results into clear definition of fundamental challenge and reduced number of opportunities.

The definition phase was done during Quarter 1 – Quarter 2/2015 in meetings and brainstorming sessions of the Logistics Forum secretariat. The findings and synthesis of the definition phase were discussed in a management group meeting.

The results of the discovery phase were synthesised from the two perspectives: firstly, which matters most, and secondly, which we should act on first. The following list is a prioritised crystallisation of the answers to these questions concerned:

1. There is a need, demand and opportunity for private-public logistics forum creating an agile competence and business development platform.
2. The joint interest/thematic areas are focused on consumer services, SCM and growth markets and investments.
3. Supporting collaboration, facilitating networking, promoting renewal and learning have the biggest potential as development and support activities.
4. Competence, knowledge and endogenous service development is best to be done with new talent i.e. graduating students from universities.

Based on the above insights the service concept design brief was agreed to include establishment of logistics forum, creation of competence / knowledge

development forums and introduction of new talent in order to renew industry and services. The design brief was supported by visions of growth and competitiveness boosted with new logistics competence on specified thematic areas.

4.2.2 Reflection of Transformational Leadership Aspects

The definition phase was consequent to earlier stages of the forum development. From the leadership perspective now the focus shifted more from creating inspiration on leading change, which was ongoing and continuous. In this phase new people and companies joined the forum and the inclusion of all various aspects was a key activity in managerial leadership. For the secretariat, the challenge was to maintain high impact performance and progress levels with several interest groups, and being a role model for new talents and other people; all this meanwhile more and more issues were open, adding elements of complexity and distortion on focus of decisions around daily activities. It became difficult to see the trees from the forest.

Continuous learning was a dominant process in the definition phase. From the value proposition perspective it meant that, as the big picture got clearer, several of the thought fundamentals also changed simultaneously. The hypotheses were presented, tested and changed. Here the solution was that because of the clear visions of growth and renewed competence, the process became self-guiding and corrected itself. As long as new insights and propositions were created (there was novelty and movement in the process), the process was self-adjusting regarding the “right” contents. The change in atmosphere and progress became evident, if a planned summary, action, discussion with customer interest group or new talent, was not one way or another aligned with these visions. Everything slowed down, and new openings were required. These noticeable negative changes acted as guidance during the definition phase. It was quite easy to shift the focus, and to plan next steps to better serve the interest groups concerned to create a positive upward spiral for development.

4.3 Development Phase

4.3.1 Results of Phase

The development phase refines the service and concept through design, iteration and testing towards implementation. There are also feedback loops to ensure robustness and user orientation prior to implementation. With the Logistics Forum the definition phase was during Quarter 2 – Quarter 3/2015. The development phase had some overlapping with the definition phase. This was considered useful and beneficial for the process.

The first idea was that interested companies should create joint long-term projects based on their interests and challenges. Soon it turned out that the long-term development targets should have more concrete short-term initiatives, where measurable impact and learning are at the focal point. It is like one can steer a car, or a ship, or a plane only, as they are moving. In empiric history more time could be allocated on strategic development and change management initiatives. Also the planning of these development initiatives could follow a waterfall pattern, where one phase led to before-known next phase. With the Logistics Forum, in the development phase it was evident, that new agile and transformational development models were necessary in order to gain commitment from involved companies. The finding was that small steps with transformational contents in the right direction provide desired outcomes.

With the management group governance there were only small adjustments to be done. This discussion forum was considered interesting, useful and beneficial without any major modifications. Participants considered the forum necessary and wanted to allocate their time for the meetings and discussions. The only development comment was made about expanding participating organisations and executives to strengthen the initiative.

Since management group core was considered optimal as such, and joint priorities were defined earlier, but traditional research & development project architecture was considered obsolete, there was space and momentum for new ideas regarding the endogenous development work.

The author and the other members of the secretariat were familiar with lean start-up cultures, where orientation towards customer behaviour and interests, piloting and experiments together with continuous learning had supported

many success stories. Based on these previous findings and some pilots with involved companies, a new competence and knowledge development concept was introduced. This concept is presented in the following figure.

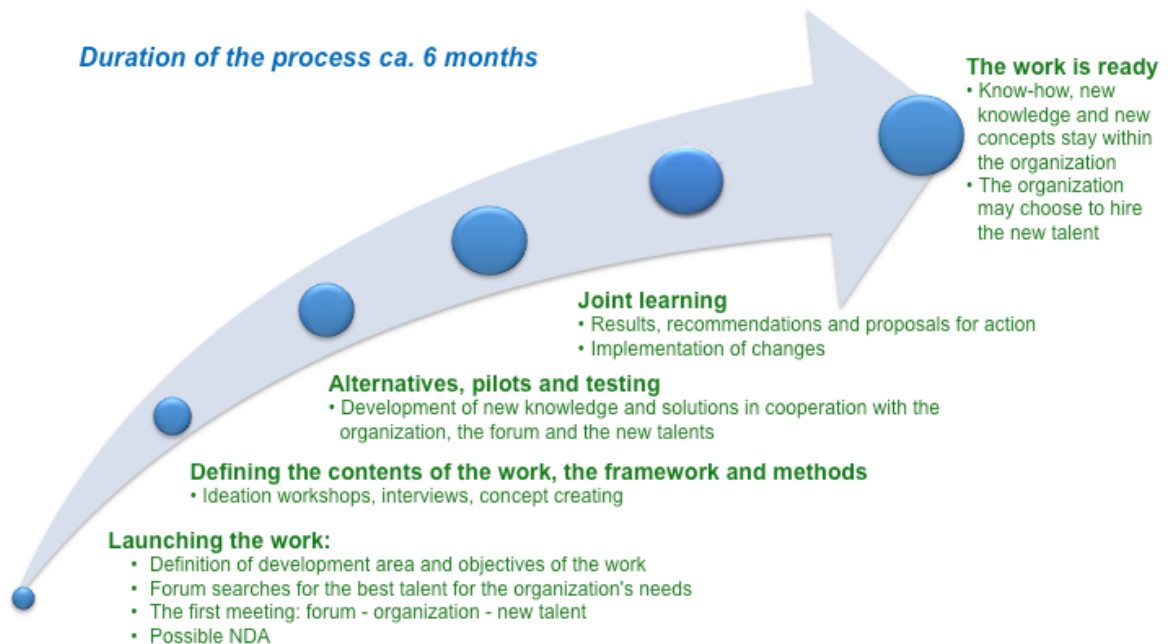


Figure 10. The knowledge and competence development process (Devlog Oy).

Figure 10 above shows a 6-month knowledge and competence development process, which includes a specific business case and thereto-related development methodology and learning process. The concept utilises match & meet activities of the Logistics Forum secretariat to attract and identify the best potential new talents for individual cases.

The knowledge and competence development process combines theory, the best practices and joint learning in competence forums to a concept, where impacts both on customers, companies and new talents are maximised. Moreover, during a few years' time the Logistics Forum will build a strategic competence and know-how network of 100 new talents. This type of initiative has never earlier been introduced to boost growth and competitiveness as focused and tailor-made private-public logistics development endeavour.

4.3.2 Reflection of Transformational Leadership Aspects

In the development phase to leverage collaboration became the first priority. Also active managerial leadership and continuous learning were present and considered important, however with a different bias. As the Logistics Forum is

a network initiative, and it involves both private companies and public authorities, it was necessary to identify, where the joint interest areas are the largest and overlap with each other in the most beneficial way. First this was challenging, because it became very obvious, how very different these worlds can be from the perspectives of goal setting, collaboration attitudes and customer orientation. This is also the case within private companies, where business cultures and capabilities to lead change vary a lot. Now here it was necessary to find common ground, where the current status and future priorities were shared.

It was noted that as individual priorities of an organisation overlapped with priority of another organisation, this was beneficial both for the interaction as well as for the development and decision-making processes. Executives and new talents behaved here alike. As awareness of common ground and shared priorities migrated with personal interests and perceived value, development discussions, and negotiations on commitment became easier.

4.4 Delivery Phase

4.4.1 Results of Phase

In the delivery phase results of the development work are implemented into reality by launching the service for user groups. In the delivery phase the service / concept addresses the needs identified in the discovery and the definition phases. The delivery phase also summarizes the learning and utilises these insights in the development of organisation culture.

The delivery phase of endogenous knowledge and competence development process began with the Logistics Forum in Quarter 2-Quarter3/2015. It started with small-scale pilots and tests, which had a built-in feedback loop with involved executives.

As there was the vision of 100 new talents, recruiting these people and facilitating their work became the first priority. During the early stages of the delivery phase two network meetings for new talents were arranged. In between these meetings individual discussions and brain storming sessions were held with new talents.

The participants (seven respondents) were asked for detailed feedback in the events held in July and September 2015 from the following perspectives:

- Reaction and satisfaction of participants (scale 1=lowest, 10= highest)
 - Generally on event an average of 9,35 and 9,36 were given.
 - Generally on own participation average of 8,35 and 8,64 were given.
 - Arrangements, leadership and facilitation of events received positive remarks.

- Learning points of participants
 - New insights from discussion and collaboration with others were mentioned in almost all the answers in one way or another.
 - The big picture became clearer for participants.
 - New ideas reported from events for all participants.

- Behavioural change of participants
 - Participants reported that they received new motivation and encouragement from events.
 - Several participants clearly shifted expectation from individual. interest into valuing team work and interaction between the events.
 - Trust, team spirit and engagement of new talents clearly grew between the events and this might also be partially due to the increased network activities.

4.4.2 Reflection of Transformational Leadership Aspects

The delivery phase included all perspectives of transformational leadership. In order to maintain and increase the momentum of the development initiative, visionary thinking was required to create new inspiration and shift focus from problems into solutions and possibilities. This became the core of the active managerial leadership in this phase. As new thinking and new insights were introduced and more people joined the forum the interaction became very fruitful and beneficial for all participants. Also the visions became more lively and vibrant because of this interaction.

There was also continuous learning present in the delivery phase. This included executives, new talents and the secretariat of the forum. New ideas and new insights were bravely shared and the participants valued how the inclusion of these learning points also changed activities and contents of the forum. As one example the new talents were encouraged to propose modifications and adjustments to the meeting structures and based on their ideas a guest speaker session was introduced and more time was allocated for teamwork sessions. These changes were considered to be major incremental improvements. The development process model of knowledge and competence was also streamlined and fine-tuned based on the findings of the secretariat and the participants.

The author understood that driving impact with people needs constant and consistent focus on the collaboration leverage. Motivation, focus, performance and learning require systematic attention and interaction. People are not machines, which means that high-level focus is attained and maintained only through repetition, reassurance and reinforcement. People need to be reminded again and again what the big picture and common benefits are. At the same time doubts and faced obstacles require reassurance of alternate views, solutions, hidden potential and better futures. Finally, the work done needs to be strengthened and supported from network and managerial perspectives.

5 DISCUSSION AND ANALYSIS

In this section the results and the process are analysed and discussed. Reflection is made considering the theoretical background, process, managerial implication and the learning journey of the author during the process.

5.1 Relevance and Significance of Theoretical Background

There is a saying that an eagle does not hunt for flies. This is true also in relation with the theoretical background, where the focus was placed on concepts, which have true and significant value for this case. The chosen relevant concepts of change and transformation, transformational leadership (TFL) and R&D and business innovations provide a robust and well-reasoned background for the research done. In short, transactional behaviours do not facilitate/enable transformational business targets. Consequently the development

of the Logistics Forum is theoretically based on the most relevant and strategic concepts.

Firstly, clear evidence exists that change and transformation are natural phenomena in all areas of life. This includes global economy, international businesses and local companies - all trading and all sorts of interaction. Secondly, it is the ones most capable to adapt, who are most likely to prevail. Thirdly, at the same time all is more and more linked and networked together. The slower the change in one industry, company, area or region is compared to the surrounding environment, the bigger is the need at some stage to transform in one way or another in order to thrive.

The science of leadership and understanding the concept of managerial leadership in the changing world has gone through some major phases, changes and transformations. Meanwhile still today leadership is a multifaceted and widely varied faculty, it is more and more obvious for many scholars and empiric practitioners, that the changing world and environments require transformational leadership behaviours. This research clearly implies that transformation requires transformational attitudes, reciprocal cultures and behaviours. At least change necessitates managerial leadership practices, which assist in coping, leading and being with the change. In some cases changes even encourage in transforming attitudes, cultures, behaviours and processes. Transformational leadership practices place motivated, individual, empowered and engaged people in the centre of change and transformation – change becomes easy, when people do not resist growth and transformation. TFL enables inspired collaboration together with people, and facilitates a strong change agency for growth and renewal.

The main reason for 0 and low growth is usually the low level of change and transformation. The willingness of customers to pay for products and services offered and produced has decreased. This leads to price erosion and to a smaller demand of services when alternatives exist. When transactional behaviours, governance and process refinements become the main concerns, the organisational ability to adapt and renew seems to slow and go down. In companies, the R&D and business innovations leading to endogenous growth and learning can boost the ability to change and transform. Endogenous

growth is very much on the transformational side of the leadership axis of transactional and transformational attributes.

The theoretical background fits exceptionally well to the situation in Finland in 2015, where the society in general and many industries are struggling with low productivity, decreased demand, poor competitiveness and negative attitudes. Some industries and businesses in the logistics sphere have realised this development and want to create a strategic difference, and to change and renew towards growth and increased competitiveness. The presented theoretical background presents a compelling top-down framework to understand current situation, review alternatives, and to plan and to develop strategies together with competences for change, transformation and renewal.

5.2 Methodological Considerations of the Process

The Master of Business Administration program demands scientific reasoning and discussion on the conceptual basis, the research process, and the results. At the same time the program requires change agency, and strong applied approach with real life impact and implications. The academic requirements and the applied scope of research setting create an absurd situation for the thesis work. There is a strong focus and desire on actual change, and need to scrutinise situation from a static and existing background. This research shows that when futures are created in reciprocal and participatory way, it is very challenging to document and reason the change and the process with existing theory simultaneously with the change as it is happening.

Based on the carried out case research, there is a strong indication that customer and user originated collaborative research methodologies (among others identifying weak signals and service design process) provide a platform, where hypothesis can be developed, tested and analysed in the dynamic situation, maximising the learning, implications and value of a case study.

Many insights and benefits were received in linking the service design process methodology and TFL as a collaboration tool together. It seems that transformational leadership practices and collaborative user originated service design processes complement and support each other really well. The situation is like a synergetic symbiosis, where the other half (service design process) helps

and adds value to identification of the problem and needs, and TFL helps in focusing the human potential to solutions and maintaining the momentum throughout the process. Furthermore the iterative nature of both keeps the focus on the right topics at the right time and ensures the right decisions. If "wrong" decisions are made the process is self adjusting and correcting towards the purpose of the work. This is a major improvement to the arena of managerial research, where traditionally the target and the made hypotheses not necessarily contribute to the real life situations and scenarios of the changing world in beneficial ways.

From the change agency perspective these methodologies used herein provide a real answer to the question "How something can be developed"? They are targeted directly into facilitation, doing and creating the solutions and into the core of the development process. In addition, they involve and engage people, whereas quantitative approaches tend to analyse the situation from historical perspectives in a new world. If change and impact are at the focal point, TFL together with service design process is a viable option for any type of strategic collaborative renewal case in a network environment.

5.3 Managerial Implications

The research setting included the main question of: How to foster collaboration with transformational leadership in the development of Logistics Forum? To answer this question a reference is made to the section of 5.2. TFL can support collaborative development initiatives exceptionally well, especially when TFL is combined and applied with other managerial tools, processes and methodologies.

Together with strategy work, service design and coaching style managerial leadership, transformational leadership is a great tool to foster collaboration. TFL itself does not appear to be a sufficient tool, framework or theory to foster collaboration. The main reason is that TFL is a very loose compilation set of specified qualities and behavioural characteristics. It needs some kind of contextual managerial process, other practices, and a development platform, or an application framework to make it concrete and tangible. Such can be coaching practices, service design processes, and product development frameworks. Additional managerial development and/or performance management setting is required to embody the transformational leadership quali-

ties to the target driven behaviour of individual people or group of people in a collaborative environment.

The results show that in problem definition, development potential specification, and solution creation TFL works very well together with a service design process including different types of people, and organisations with great diversity. The characteristics and different styles of TFL make a perfect fit, when there is a lot of uncertainty, lack of focus and engagement, and missing direction for the future. Visionary thinking and interaction are qualities, which are most obvious in TFL to make the largest impact to clarity, commitment, focus of people, and target driven activities. People become unanimously committed to development work, as they share a common vision for the future, and values behind this work. In this context this vision is Finland, and Helsinki as a logistics hub and distribution centre in Northern Europe. The vision also embeds shared values and objectives of paradigm shift, networking, renewal, as well as business and competence development – all contributing to enhanced competitiveness and growth. A good vision is simple and inspiring.

The vision must be such that people see the potential in it, and it must be interesting and compelling enough, so that people hear the calling to act in them, and consequently feel obliged and motivated to engage with it. This finding links well to present TFL theories. Also the scale and timing of a vision seem to be important: there must be a noticeable progress to be identified, but the required development steps must be such, that they are understandable and achievable within the given framework and resources. This means that a vision, which is too long in the future, or requires too big leap from the current situation to unknown direction is not commonly supported, and it attracts doubt and hesitation. On the other hand, when a vision holds realistic timeframe, is concrete, well justified and the participants understand the journey towards it, acceptance and engagement are more common and deeply grounded among the participants.

Full-range leadership models are more comprehensive, and reflect real life situations and scenarios better, than those including, and focusing only on transactional or transformational attributes and styles. In change and development initiatives there must be a both-and competence approach and agility to move between the axis of the transactional and the transformative leader-

ship styles. It is like the transformational leadership behaviours illustrate a picture of the future and transactional behaviours ensure that the picture is actually painted. Furthermore building on this metaphor, if there is no compelling vision of picture to be painted, the activity of painting lacks focus and the picture becomes distorted, or not painted at all. However a clear bias towards transformational leadership competences, and behaviours is necessary with change, and transformative development initiatives and programs.

Full-range leadership models support collaboration in network environment, where a common purpose is searched. This is reasoned by nature of transformational leadership: it is strength and potential based, forward-looking, inclusive, collaborative, and focused on learning. The three components of active managerial leadership, continuous learning and leverage collaboration enhance the functionality of a network setting and capitalise potential even in relatively short periods of time (quarters of a year).

R&D activities and endogenous growth targets are well facilitated by TFL. It seems to be that inspiration, enthusiasm, creativity and innovation are attracted, when the focus is more on the transformational aspects and more freedom of choice is given to participants. The positive cycle of solution focus and various alternatives leading to the future is maximised, when people are encouraged with positive feedback, to think outside or without the box, and when they are supported during the process with coaching and mentoring type of activities. This type of TFL leads very fast to rapid competence development and inspired actions and commitment among participants to the shared purpose and targets.

5.4 Reflections on Learning Journey

The framework of business innovations and endogenous growth is clearly identified with the Logistics Forum initiative. First of all, economic dimension is present with all the competence and business development endeavours. Secondly, it seems to be, that the political and the institutional dimensions have not really supported endogenous change and the transformation of logistics environment. In Finland transactional and exogenous thinking and behaviours have dominated the organisational decision-making systems and the behavioural processes both of the private and on the public sectors. Majority of the leaders have waited for a better global economic situation to take care of the

obvious structural challenges in the businesses and the innovation systems. The development during recent years clearly shows, that this exogenous bias in the mindsets does not support growth, or renewal in Finland. Thirdly, better utilisation of the entrepreneurial capacities offers viable and feasible solution to drive change and transformation through the development of competence, services, and disruptive and transformational business models. Visionary leaders can transform existing paradigms by linking different endogenous dimensions together, and building interest networks aiming to triple-win outcomes and impacts.

In the beginning of the research the author had a great belief and expectations on the omnipotence of transformational leadership qualities in leading change. These were reasoned with earlier empiric experience with change initiatives on the corporate arena, where usually the solution space is somewhat limited. Also the situation usually is that leadership skills and qualities are used to get some desired results in clearly specified and limited situational context. The targets and results are well foreseen and the changes are of incremental nature. With the Logistics Forum the starting point was very much different and the solution space was open, not limited or clearly defined.

A deep insight and learning point was to notice how-well TFL fitted the application environment and case concerned. Herein due to the nature and the characteristics of the case, it was mandatory to sharpen personally both the transactional and the transformational ends of the full-scale leadership talent axis. The following table presents TFL qualities and their personally reflected competence development by the author.

Table 4. TFL qualities of the author.

TFL Quality	Compe- tence level (1=low, 5=high)	Personally perceived strengths	Personal weaknesses (starting point)	Change dur- ing devel- opment pe- riod
Visioning	5	Can see many opportunities and possibilities, easily creates aspir-	Sometimes feet off the ground. "Too" transformative visions.	Positive affirming experience of growth orientation and strategic mind-

		ing visions.		set.
Enthusiasm and encouragement	5	Very positive attitude towards life and other people. Focuses on good.	Can use positive filters and bias even to situations, where neutrality would be more beneficial.	Sometimes reality affected attitude, and shifted perception and behaviour to more critical bias.
Coaching-style leadership	4	Asks thinking questions and empowers others with solution focus attitude and feedback.	Sometimes too facilitative and coaching, when a mixed model (transactional styles) would be better.	More transactional and sometimes directive style adapted to leadership and behaviour.
Individual consideration	3	Sees strengths in others. Wants to enable what is best. Is an active listener. Promotes self-development.	Has a challenge with accepting below personal standards mediocrity.	Puts more emphasis on considering others and their individuality.
Integrity with own actions and behaviour	5	Has clear values and high morals. Behaves accordingly. Challenges self.	Sometimes quite demanding to self and others.	Learns openly from mistakes and accepts learning journey as part of life.
Management by exception (transactional)	4	Believes in transformational behaviours.	Has challenges in setting targets and monitoring and guiding others with transactional ways.	Transactional qualities combined to TFL styles.

Table 4 suggest that TFL qualities were in general mastered well from personal perspective prior to the research. The gathered feedback, and observation during the research supports this finding. Individual consideration and management by exception were considered to be the lowest in competence levels. Both are key components in a full-range leadership model. There is a noticeable change in the author towards a more transactional bias in both of these dimensions during the research. Quality descriptions were presented by Kirkbride (2006, 35-36).

Since the author had and still has some challenges in accepting and recognizing others as they are here and now, the following practices were applied: the author systematically started asking people about their likes and dislikes. Secondly, the author listened even more: "What is present/emerging?" was the question reflected. Also a count to five principle before talking was used, almost every time as it was remembered. The first judgemental reactions were avoided, where possible in reciprocal setting. The author also fostered individual consideration by task placement and linking it to individual likes and strengths, which were made visible. The author also generally avoided judgemental mind, cultivated gratitude on unique difference, when something was difficult to accept and tolerate in personal perception and experience.

The author has and had a strong tendency to act in a "human friendly" way, which in this context means that management by exception was often forgotten, and neglected in leadership practices and situations. Herein the behaviour changed by implementing a measurement and monitoring the plan with metrics, when an assignment was discussed and/or given, and then followed up and referred to the plan with progress of the work. Secondly, deviations from agreed/expected were made visible. People were asked to reflect on exceptions and insights and learning from them. Practices were revised accordingly. These were mandatory transactional lessons learnt during the research to keep the process going and on track towards the future.

In general the ability to be present, and to focus has improved with the author during the process. This has been due to performance pressures and target orientation during the process. In addition to increasing the workload also an emphasis was put more on the priorities, the time spending and the quality of thinking and performance.

A large fundamental personal insight was also born during the research. In a reciprocal situation, where transformation is expected repetition is very important. It is not enough when something is said once or five times. When it is repeated and communicated clearly 10 to 20 times acceptance is established. This applies to wording, contents, style and sentiment of situational interaction. Crystallised and succinct messages repeated often are keys to unanimous unbiased reception. Secondly people need to be reassured during the journey: people want to believe in change, potential and possibilities and better futures. However, because of the external world, daily stress and pressures, combined to suspicious human nature, many seem to need assurance again and again, that they can if they choose to, and that with this set course we are together on the right path towards a better future. Thirdly, people and the process itself require reinforcement in all possible ways to strengthen the network activities, and support flow of creation towards valuable outcomes.

6 CONCLUSIONS

In this section the conducted research is concluded. Summary of main findings is presented, implications for the commissioner are proposed, and finally topics and themes for future research and development are presented.

6.1 Summary of Main Findings

Herein the main findings of the development work of the Logistics Forum are grouped and presented according to phases of service design double diamond process and added with remarks to transformational leadership in every phase.

Many insights and benefits were received in linking the service design process methodology and TFL as collaboration tool together. It seems that transformational leadership practices and collaborative user originated service design processes complement and support each other exceptionally well. The situation is like a synergetic symbiosis, where the other half (service design process) helps and adds value to identification of problem and needs, and TFL helps in focusing the human potential to solutions and maintaining the momentum throughout the process. Furthermore the iterative nature of both keeps the focus on right topics at the right time and ensures the right decisions during the process.

Discover

Based on the carried out research, the following problem listing gave insight on the solution subject to be developed, and narrowed the solution space:

- Companies can solve only some logistics environment and distribution challenges on their own,
- International Private-Public development activities have proved to be successful,
- Networks and partnerships are beneficial for strategic development activities, and
- Renewal and transformation require new competence, new leadership, and collaboration cultures.

From the TFL perspective it was noted that ca. 10 per cent managers are capable to transformation in reality. This means that 90 per cent of managers focus more on the transactional side, and consequently they are not really competent leaders of transformational change. In the discovery phase increasing awareness, enabling trust and building commitment were the main attributes of the leadership focus. Open discussion and coaching style approach, were very beneficial tools in gaining new horizons and collaborative perspectives for the future.

Define

The results of the discovery phase were synthesized from the two perspectives: firstly, which matters most, and secondly, which we should act on first. Clear indications of a need, demand and opportunity for the private-public Logistics Forum were identified. This was believed to create an agile competence and business development platform. Supporting collaboration, facilitating networking, promoting renewal and learning were considered to have the biggest potential as development and support activities.

The joint interest and thematic areas are focused on consumer services, SCM and growth markets and investments. Competence, knowledge and endogenous service development are best to be done with new talent i.e. graduating students from universities. This guarantees fresh ideas and novelty in thinking.

From TFL perspective the focus was moved from creating inspiration, more on leading change. In this phase new people and companies joined the forum and inclusion of all various aspects was key activity in managerial leadership.

Develop

In order to realise a vision of 100 new talents network in the coming years, a 6-month knowledge and competence development process was established. The concept includes a specific business case and thereto-related development methodology and a learning process. This model is presented in figure 10. The knowledge and competence development process combines theory, best practices and joint learning in competence forums to a concept, where impacts and value on customers, companies and new talents are maximised.

In the development phase to leverage collaboration became the first priority. Also active managerial leadership and continuous learning were present.

Deliver

The first participants of new talent network (seven respondents) were asked for detailed feedback in events held in July and September 2015 from the following perspectives:

- Reaction and satisfaction of participants (scale 1=lowest, 10= highest)
 - Generally on event an average of 9,35 and 9,36 were given.
 - Generally on own participation average of 8,35 and 8,64 were given.
- Learning points of participants
 - New insights from discussion and collaboration with others were mentioned in almost all answers one way or another.
 - The big picture became clearer for participants.
- Behavioural change of participants
 - Participants reported that they received new motivation and encouragement from the events.
 - Trust, team spirit and engagement of the new talents clearly grew between the events and this might also be partially due to increased network activities.

The delivery phase included all perspectives of transformational leadership.

6.2 Implications for the Commissioner

The Logistics Forum is established in point of time, in which change and transformation are required, evident and present in many ways. There is a clear demand for a new type of business and competence development process model. This research work has had a very tangible and demand driven orientation, experimental scope, and it has been highly iterative learning and development process.

As a summary, implications for the commissioner can be presented in the following list, which is then elaborated in more detail below:

- Learning from other initiatives and the surrounding world gives a strategic advantage.
- The developed approach, and the competence and the knowledge development process can be utilised and capitalised even more.
- Development methodologies (TFL and service design) should build the strategic backbone of the Logistics Forum, and they should also be embedded in the core of the competence forum activities.

Knowing that many logistics development initiatives, projects and agencies exist and many of these have failed in the arena of change, transformation and collaboration, the author considers that in many cases the question is about alienation and distraction from the surrounding world. Evaluating reasons for failure (in terms of results, impacts, investments made) was not in the scope of this research. However there is clear empiric evidence that many of these other projects and initiatives have their targets and scope off the mark, the leadership, project and performance management are on a poor level. Generally, these initiatives are either too theoretical or find their reasoning in the historic world, that they just do not serve requirements of modern business and customer markets.

The situation above gives additional boost and learning potential for the Logistics Forum: meanwhile it seems to be a flagship in the modern private-public collaboration, and joint competence and business development, it also acts as a thought leader and change agency for lean and demand driven strategic development work. Decision makers and executives have bought into this idea.

New visionary thinking, and transparent and lean ways of collaboration and co-creation are strengths of the Logistics Forum, which will pave the way to the future. Focusing more on the impacts, changing with the change, and basing the contents more on learning and actual needs of business life, the Logistics Forum has all the prerequisites to avoid failures of other projects.

The Logistics Forum and secretariat can utilise, capitalise, and exploit the positive boost and momentum even more to benefit from novelty and innovativeness of this approach developed. Many of the actors in the field of logistics education, industrial research and business innovation fight for survival and existence at the moment in a world, where many resources (money, time, know-how, competence, networks) are in scarcity. Since there is only limited general and overhead costs and structural inertia with the Logistics Forum, it can benefit even more from this situation. After completed piloting, which has turned out to be successful herein, more publicity and marketing efforts will add to the success continuum of the forum.

Based on the done research, and thereto related findings, the Logistics Forum and governing secretariat should commit more to the development and utilisation of the development methodologies presented herein. It is noteworthy how much knowledge and competence development cycles, and activities aiming to endogenous growth can be enhanced with TFL and service design processes. This improvement can be reasoned from the perspectives of strategic impact to business cultures, renewal, learning, customer orientation and innovativeness. Furthermore this rapid paradigm shift is confirmed by the reaction, satisfaction, learning perception, and the behaviour of the participants. In short: TFL ensures beneficial orientation to change, and transforms businesses by renewing the collaboration and the learning cultures.

These methodologies and processes utilised, applied and developed herein, can contribute to a significant boost both in productivity of collaboration, and in leverage of joint business development endeavours. A combination, where enthusiastic, motivated and talented people actively take on the challenges of change and transformation, with lean and smart customer orientation, is likely to promote capabilities and competences leading to growth and increased competitiveness. For strategy work and business development this insight of-

fers new possibilities and agility, supported with organisational learning impacts.

Linking the methodologies, processes and findings to the objectives of this work, the competence forums and the network created by them should embed and apply TFL practices of full-range leadership model into strategic work of management group and competence forums. This means that in addition to changing the management group meetings even more into the direction of visionary co-creation, also the work of competence forums should be designed and tailored to fit the targets of these subforums.

In detail all mentioned above translates into specification of concrete targets for each individual forum (consumer forum, growth markets forum, investments forum and optionally logistics service business forum). Furthermore the operational models (how an individual competence forum is organised and managed) needs to be discussed and agreed upon. For example, based on the observations and empiric findings, the consumer and growth markets forums must have more entrepreneurial spin-off activities and start-up components in the implementation and expansion phases of the respective forums. On the other hand, the investments forum needs established long-term partnerships with public sector to facilitate the needed competence transformation. Each of the competence forums must also have a light managerial framework (applied process description, a team leader, other people, the targets, and impact measurement KPIs).

6.3 Suggestions for Further Research and Development

The reaserach setting and done research give many suggestions for future research and development actions. This research has been first to build a theoretical framework on change and transformation, leadership theories and practices development, R&D activities and business innovations, and linking this conceptual framework with the transformational and collaborative network development setting, and supporting the work with service design process methodology.

Firstly, understanding the nature of change and transformation deeply from the applied perspective of businesses and business networks, partnerships and ecosystems is a highly uncharted domain. Research exists from philo-

sophical and natural perspectives regarding change and transformation and dynamic processes and phases therein. In business research the case studies about change and transformation are often historical perspectives, finding some limited reasoning to the course of events. However applied, observatory and collaborative case studies are difficult to find. The main reasoning for suggested change and transformational business studies include aspects of how to thrive in the changing world and which benchmarks, growth stories and methodologies support proactive change and transformation of businesses and business networks? Also meanwhile some research exists on start-up scenes and entrepreneurial theories, these can be linked into the applied arena of economic growth and the structural transformation e.g. in Finland.

Secondly, transformational leadership theories and service design processes are not often studied as joint concept comprehensively. Research exists from theories and applications of both areas individually, but not as one faculty. This carried out research clearly indicates the benefits and obvious overlapping and complementing nature of these theories and tools. The topics of suggested future research include: application of transformational leadership behaviours and competences in service design process and user originated business / service development. Transformational leadership practices and the application of the full-range leadership model also needs further studies in case study settings, where the application of tools, competence and impact development are highlighted.

Thirdly, R&D and business innovations leading to endogenous growth have been studied from many perspectives and angles. These include the systemic and organisational nature of innovation creation; the process of innovation and lots of applied research exists on themes of creativity and co-creation. The perspectives of open innovation in network environment, supported by transformational leadership tools and service design process is a largely untapped area of research.

Fourthly, the done research suggests that there is a great potential and there are research interests in developed and tested competence facilitation and knowledge creation process and related new paradigms for education and industrial research. It seems that the requirements of modern business life and development projects do not meet with offered competences of university ed-

ucation and research faculties in Finland. This means that there should be a study, where the requirements of businesses would be analysed and translated into findings regarding education and industrial research. This research offers a great model to be further developed between businesses and universities.

6.4 Evaluation of the Research

The conducted research demonstrates a lot of novelty and innovativeness in the research setting and applied methodology. It has a background in actual demand of the Finnish business life. With the relevant theoretical background, the research demonstrates the importance, the process and the benefits of an endogenous and self-imposed change and transformation orientation. The research also shows that in the managerial leadership a full-range model, combining both the transactional and the transformational qualities, is most likely to create positive outcomes rapidly.

As the research is a Master's thesis, some critique can be addressed to the ambition level of the study. The research setting and thereto-related methodology facilitate an extensive and a wide case study scenario in a network of various companies. Meanwhile the participatory development process provided a lot of useful results and insights, it might have been more practical to limit the scope to an individual case project. This would have made the research setting even more focused and robust, and consequently the results more credible from the impact measurement perspective.

To continue with a critical perspective, it can be argued that the research done does not include sufficient quantitative elements in the data gathering and the data analysis. Partly this is due to a strong bias to a qualitative change agency setting in a participatory case research. In order to be more quantitative, the research setting should have been more limited.

The interest of the author towards endogenous growth facilitation process, and the application of a full-range leadership model in combination with a service design model increased substantially during the research.

The results of this research can be utilised especially by the commissioner in the development of the Logistics Forum. The results also have implications to the future of Finnish innovation system including universities.

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