A Cross-level Investigation on Mechanisms linking Leadership Style of Top Manager, Social Capital Archetypes, and Innovative Capabilities

Social capital is the source of organization’s competitive advantage, which is helpfully facilitate the processes of knowledge sharing and integration, and then develop the innovative capabilities. In addition, previous literatures focused on the outcomes of social capital but the antecedents of social capital has been relatively little explored. Furthermore, top manager’s leadership style (includes transformational leadership and transactional leadership) may conducive to construct the difference style of social capital (explorative style and cooperative style), which in turn facilitate the development of organizations’ innovative capabilities.

Therefore, this study focuses on the perspective of social capital theory, provides a cross-level model to explore the effect of top management’s leadership style on social capital archetypes, which in turn facilitates the innovative capabilities at the work unit.

The research includes two stages. The first stage involves extensive literature review and using focus group method to have in-depth interviews with top management, unit manager, and employees of international hotels. This stage will understand the process of shaping social capital and the effect of social capital on innovative capabilities, and further to explore the critical role of top manager’s leadership style in this process. Meanwhile, social capital and innovative capabilities questionnaire will develops and modifies during this qualitative process. The second part of this study then conducts a quantitative approach. Participants in this study will consist of top management, unit manager, and employees in the international hotels. The cross-level relationship analysis will then proceeds with hierarchical linear model approach to understand the relationship between social capital and innovative capabilities (includes incremental and radical style), and the role of top manager’s leadership style (includes transformational leadership and transactional leadership) in this process.

Key Words: Transformational leadership, Transactional leadership, Social capital, Radical Innovative Capability, Incremental Innovative Capability