

# SYSTEM LEADERSHIP AS A CATALYST FOR INNOVATION IN LOCAL CAFÉS IN KLAIPĖDA

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#### **INTRODUCTION**

Relevance A systems approach to leadership involves the ability to consider the external environment and the relationships between elements in activities for joint development and achieving a common goal (Ramosaj B., 2014). With the emergence of such systems leaders, situations that previously suffered from polarization and inertia become more open, and problems that were considered unsolvable are seen as opportunities for innovation. Short-term problem responses are balanced with long-term value creation. The interests of the organization are also redefined, as people realize that their success and the organization's success depend on creating well-being in the broader systems they are part of (Senge P., 2015). To study the impact of systems leadership on the innovative development of local cafés in Klaipeda, it is necessary to analyze the fact that Klaipeda is a port city, so the development of local cafés is an integral part of increasing tourist inflow. The number of passengers traveling through Klaipeda port has increased by 8% this year compared to last year - 26,395 more people arrived or departed by sea. The number of cruise ship passengers has also grown by 12% (Klaipeda Port statistics). This means that the innovative development of cafés through systems leadership can contribute to a higher tourist inflow to Klaipeda, which will significantly increase the share of GDP that belongs to the food and accommodation sector.

Research problem Although Klaipeda has the potential to develop as a tourist city, local businesses - in this case, cafés - remain quite closed to cooperation, which reduces their opportunities for growth. According to the 2025 survey by Lithuania National Radio and Television, during the last six months, 34% of respondents did not visit cafés at all, and 22% visited them, but much less often than before. Another problem is the lack of important data in open access (for example, statistics showing what share of GDP belongs to the food and accommodation sector, or the role of Klaipeda in the overall Lithuanian economy).

Aim To explore how systems leadership can act as a catalyst for the innovative development of local cafés in Klaipeda.

**Tasks** are to analyze the theory of systems leadership and the systems approach to leadership; to describe the relationship between systems leadership and innovative development in local cafés in Klaipeda, and its impact; to conduct an analysis of three local cafés to compare their innovative development and the presence of cooperation.

Research methodology The research uses a qualitative approach. It is based on the collection and analysis of secondary data from online sources such as official websites, tourism statistics, information about local cafés, and industry reports. A SWOT analysis of the most popular café is conducted to evaluate its opportunities. This approach makes it possible to understand the current situation of local cafés in Klaipeda and their potential for innovative development through systems leadership.

## Theoretical background

For an overview of the theoretical component of system leadership, it is worth paying attention to classical academic literature. Ramosaj B. (2014) states that system leadership and the systems approach are based on management theory, which in turn is grounded in principles and methods for achieving complex goals, involving the interaction of activities through the implementation of managerial functions (Senge P., 2015; Koontz H., 1976). This creates a complete picture of organizational complexity and intensity, the need for change, resistance to change, and attempts to influence the environment, which in turn affects the organization itself. When such system leaders emerge, situations that previously suffered from polarization and inertia become more open, and problems that seemed intractable begin to be seen as opportunities for innovation (Product Innovation, Process Innovation, Supply Chain Innovation, Marketing Innovation) (Ramosaj B., 2014; Slimane Melouki, 2015). However, system leadership should be considered as a very broad phenomenon that can act as a catalyst not only for the process development of an organization, but as a much wider phenomenon capable of addressing global systemic issues, such as climate change, racism, water scarcity, and poverty. System leadership can be seen as a phenomenon of sustainable development. When organizations face rapid changes in technology and economic conditions, employee creativity is regarded as a potential resource for organizational survival (generation of ideas for products, services, and workplace practices). Among these factors, leadership plays a vital role in developing employee creativity to achieve organizational goals (Slimane Melouki, 2015; Huang Zijian, 2022). In this context, system leadership plays a particularly important role, as it creates the necessary conditions for collaboration between multiple institutions aiming for cooperation and development. This relationship can be considered a beneficial collaboration of multiple organizations with a shared goal but different privileges.

For a deeper understanding of the connections between organizations and the impact of system leadership on innovation development, it is worth examining real cases published in the article "The Dawn of System Leadership" (Senge P., 2015). Toxicological analysis revealed hazardous chemicals in a running shoe model, prompting Winslow to gather a team of designers and product managers. Over two years, around 400 participants met at a two-day summit with sustainability experts and senior management to develop sustainable design solutions. Nike's efforts have since promoted collective leadership in the sportswear industry on waste, toxicity, water, and energy issues. A joint initiative with Greenpeace, Puma, Adidas, New Balance, and others, the "Joint Roadmap to Zero Discharge of Hazardous Chemicals," aims to identify key toxins and achieve zero discharge across global sportswear manufacturing, starting in China. This is an example of how systemic leadership can be a catalyst for innovative development.

#### Main findings

For the study, the Lithuania Travel website was analyzed, and three cafés were selected that were described on the site as *Best spots for a coffee break in Klaipėda*. For comparison, three tourist websites were chosen, which display café ratings (the number of reviews was not taken into account).

#### Review of local cafes in Klaipėda

	Cafes		
Sources	Kavos Architektai	10 Tiltu	Max Coffee
Google Map	4.7	4.6	4.2
Tripadvisor	4.7	4.6	3.5
Foursquare	4.35	3.8	4.15

Source: Created by author

## SWOT analysis of "Kavos Architektai" cafe

<ol> <li>Strengths</li> <li>Mentions on the websites Lithuania         Travel and Klaipėda TIC     </li> <li>Innovative approach to coffee brewing         (Chemex, V60, Aeropress, Kalita, Cold brew, classic pot brewing)     </li> <li>Training and development (workshops, tastings) High online ratings</li> <li>Has an unusual vision and concept (for example, the café has no WIFI)         Collaboration with the library     </li> </ol>	<ul> <li>Weaknesses</li> <li>1. Underdeveloped café concept</li> <li>2. Weak marketing (the official page is almost empty)</li> <li>3. No available statistics</li> <li>4. Only two café locations in the city</li> <li>5. Insufficient use of the collaboration opportunity with the library</li> </ul>	
<ul> <li>Opportunities</li> <li>1. Creating initiatives for local residents</li> <li>2. Developing a personal brand (for example, cups, T-shirts. The café positions itself as a home-style place)</li> <li>3. Participating in regional initiatives for café development</li> <li>4. Integrating ecological development</li> </ul> Source: Created	<ol> <li>Threats</li> <li>High competitiveness of neighboring cafes</li> <li>Seasonality</li> <li>Economic changes in the country lead to lower consumption</li> <li>Loss of product uniqueness</li> </ol>	

### MAIN RESULTS AND CONCLUSIONS

The theoretical foundations show that system leadership promotes collaboration, openness to change, and the creation of shared value through collective action. This approach enables organizations to overcome complex challenges and transform them into opportunities for growth and innovation. At the same time, the practical analysis revealed that local cafés in Klaipėda have development potential but are not fully utilizing it due to the lack of joint initiatives with local organizations. It is worth emphasizing that for Klaipėda, such a systemic approach could become the starting point for the city's growth as a tourist destination. Therefore, system leadership can be viewed as a catalyst for innovation and collaboration, enhancing both organizational success and the well-being of the local community.

## References

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