# The Role of Innovation-Driven Leadership in Public-Sector Innovation: The Case in Emerging Economies

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Public sector organizations today must confront a steady stream of challenges, push against the status quo, and to be creative in capturing opportunities to effectively serve the public. Emerging economies' public sector organizations have been slow to adopt change or innovate. Using the UAE as a case study, this study provides valuable insights into the relationship between innovation-driven leadership and innovation in public-sector organizations in emerging economies. Utilizing qualitative data from sixteen government and semi-government organizations' leaders, the results indicate that innovation-driven leadership is essential in developing a culture of innovation and transformational leadership style is the more effective leadership style.

Keywords: innovation, public sector, leadership, culture, emerging economies, UAE

### **INTRODUCTION**

Leadership significantly impacts innovation in private and public sector organizations (Chen et al., 2017; Minh et al., 2017). The extant literature indicates that leadership styles and capabilities are important determinants of an organization's ability to create innovative cultures, effectively and efficiently operation and ultimately satisfy their constituents' needs (Jaskyte, 2004; Büschgens et al., 2013; Lin et al., 2013; and Szczepańska-Woszczyna, 2014). Establishing an innovation culture leads to the achievement of common values, the development of employees' innovative behavior, and organizational competitiveness (Nazarian et al., 2017 and Calciolari et al., 2018). Several studies have examined the relationship between leadership and innovation (Martins & Terblanche, 2003; Uzkurt et al., 2013). Merchhiya (2022) raised concerns that the public sector is slow to adopt change or innovate compared to the private sector. They attribute the recent change in public sector leaders' mindset to macro issues such as Covid-19, which has disturbed the complacent mindset. In summary, Millennials and Generation Z are demanding innovation and better services. All these forces are propelling the public sector to innovate. Arundel, et al. (2019) developed a framework for measuring public sector innovation. They surveyed many public sector leaders to explore how the strategic management approach to innovation does influence the type of innovation and the process of innovation in these public sector organizations. Implementation of the innovation measurement framework can potentially open opportunities for further innovation.

Findings indicate a strong relationship between leadership style and organizational innovativeness, performance, and competitiveness. However, most of these studies were conducted in western settings. Very few studies have been conducted in emergent economies, particularly the Arab region (Aboramadan et al., 2020). This study contributes to the existing literature by investigating the relationship between leadership styles and innovation in public sectors organization using United Arab Emirates (UAE) as a case study. The UAE is considered a role model for many emerging economies in the region and worldwide.

The UAE is the United States' single largest export market in the Middle East, with over \$17 billion in exports in 2022. More than 1,500 US firms have a presence in UAE. The UAE has trade relations with every state in the US, the District of Columbia, Puerto Rico, and the Virgin Islands. Given the strategic political and economic importance of the Middle East and emerging economies to Western public policymakers and business executives, the growing economic trade between the West and the Middle East region, and the growing pressure on public sector's organizations by a young population to serve them effectively and efficiently to achieve better quality of life; it is imperative that we understand the emerging economies' public sector leaders' mindsets and abilities to drive innovations in their organizations. This is not only important for Western private and public organizations to conduct successful and profitable relationship with this region's organizations, but for academicians seeking to establish external validity for theories and concepts that have been developed and applied in Western setting.

This study contributes to this existing gap in literature by investigating the relationship between leadership style and behavior with the degree of innovation among public sector organizations in the UAE. More specifically, the present study aims to answer the following research questions:

**RQ:1** How does innovation-driven leadership drive innovation in public-sector organizations and develop employees' and organizations' innovation?

**RQ:2** What is the role of leadership style in supporting innovation in public-sector organizations and developing employees' and organizations' innovation?

The paper will review the extant literature related to the relationships investigated, explain the methodology utilized, present the study results, offer managerial implications, and conclude with limitations and directions for future research.

#### LITERATURE REVIEW

#### Innovation

Numerous previous studies have attempted to identify the factors linked to and affect innovation (Koc & Ceylan, 2007). Leadership is the main driver of innovation, significantly affecting an organization's innovation (Lewis et al., 2018; Kozioł-Nadolna, 2020). Currently, leaders are required to be more skilled, competent, and capable of initiating new methods to support innovation (Kozioł-Nadolna, 2020). Hence, leaders' innovative strategies and behavior can be the key to developing firms' innovation strategies. Simultaneously, innovation might have distinctive characteristics in public-sector organizations, which may require different leadership strategies and behavior to suit government organizations' innovation and development. It is difficult to measure the impact of innovation on public-sector organizations, where performance is not always measured monetarily.

#### **Public-Sector Innovation**

Innovation drives growth in private and public organizations alike (Lewis et al., 2018). According to these authors, public-sector innovation is critical for managers because government organizations' expectations have increased. It has become essential for leaders globally to analyze innovation in their public-sector. Therefore, it is expedient to identify the drivers of innovation in public-sector organizations because such firms have different settings and characteristics.

Currently, public-sector organizations worldwide are keen on providing solutions because of citizens' demand (De Liso & Vergori, 2017) and adopting new and different work perspectives and approaches (Tidd & Bessant, 2018) to address complex situations and challenges; the old and traditional methods are inappropriate and unsuitable (De Liso & Vergori, 2017). Therefore, public-sector organizations are embedding innovation in their processes and operations to provide high-standard customer services. Innovation improves government organizations' services and significantly contributes to the development of the delivered services, which results in better quality of services, life, and performance (Walker et al., 2011; Wang et al., 2016).

Public-sector organizations have a more complex environment than private-sector firms, mostly controlled by the government; their policies are managed by leaders and executives selected by the government to manage and lead the people in the organizations (Lewis et al., 2018). Leaders in public-sector organizations make decisions based on factors including legislative power, community input, and financial deliberations (Van der Voet, 2014). Given such conditions and critical factors, managing innovation in public-sector organizations requires different and innovative leadership skills that support innovation in the organization. Innovation has distinctive characteristics in service sector organizations compared with those in the private, industrial, and manufacturing sectors (Drejer, 2004).

Innovation without leadership is ineffective in the current complex and dynamic economic environment, (Gumusluoglu & Hsev, 2009). Literature indicates that leadership significantly impacts innovation (Chen et al., 2017; Minh et al., 2017). According to recent studies the relationship between leadership and innovation in public-sector organizations is not well established (Walker et al., 2011). Furthermore, studies on innovation regarding recent public-management perspectives have focused on individual entrepreneurship in effecting change (Walker et al., 2011). Therefore, studies that examine the relationship between leadership and innovation in public-sector organizations with the sole objective of enhancing government organizations' innovation and performance are required. In summary, understanding the relationship between leadership and innovation in public-sector organizations is key to driving innovation in the firm.

#### **Innovation-Driven Leadership**

The traditional concept of leadership is of a capable person who directs, controls, and guides people in an organization. Leaders are considered effective agents who introduce and implement effective approaches for managing the organization and the people within its context (Van Wart, 2014). However, the rapid changes in the global business environment and public settings, which have become more challenging and complex, have changed the principles, practices, and concepts of leadership to enable organizations to cope with the continuous changes and advancements in the business environment (Van Wart, 2014) and have compelled and challenged organizations to concentrate on changes in both business and social contexts. Therefore, it is a leader's responsibility to set strategies to drive innovation to enhance the services and performance of public-sector organizations.

George, et al. (2019) concluded that governments and public services have changed a lot in the last decade, and further explained the need for a new mindset to thrive in the future. Moreover, they recommended five guidelines for public sector leaders. First, being creative in the reduced budgetary environment. Second, personal resilience has emerged as a necessary trait for the leaders, as they are facing headwinds while trying to reform the system. Third, leaders must produce results when the limits and boundaries of leadership are blurred. Fourth, public sector leaders should be ready to operate in a complex and competing environment. Fifth, public sector leaders need to prioritize their tasks and build the right teams around them. They need to identify what matters most and focus on the important objectives.

To conclude, innovation-driven leadership refers to innovative leaders' actions and behavior that support viewing, understanding, and overseeing situations and managing the organization in a unique, new, and different manner (Prestwood & Schumann, 2002). Innovation-driven leadership responds to government policies, drives, and implements innovation in the firm (Zawawi et al., 2016), manages resources (McGuire, 2003), supports, and stimulates employees' innovation, and promotes the environment for innovation (Kremer et al., 2019).

Innovation-driven leaders play a significant role in enhancing employees' and organizations' innovation and developing performance. It is the key for organizational survival, competitiveness, growth, and productivity (Braha et al., 2015; Brem et al., 2016). Innovative leaders promote employees' and organizations' innovation and performance (Volmer et al., 2012). They also promote organizations' operations by influencing firms' vision, strategies, and rules and motivating employees to achieve desired goals and objectives (Collinson, 2014). Leadership ability to create a positive relationship with employees enhances their skills and improves workforce creativity, and innovation (Volmer et al., 2012).

Innovative leadership behavior and strategies and practices are the key drivers of organizations' innovation and high performance. Damanpour and Schneider (2009) discovered that 52% of innovation methods are related to organizational leadership. Leadership had significant effects on innovation (Gumusluoglu & Hsev, 2009; Ikeda et al., 2017) and innovation capabilities of firms compared with other innovation drivers in the three cities examined in Europe (Lweis et al., 2018). Leadership promotes creativity (Amabile & Pratt, 2016), trust (Fawcett et al., 2012), and knowledge sharing (Wang, 2012) to facilitate and enable innovation.

#### Leadership Style Supporting Innovation

This section highlights how leaders, and their leadership styles create an innovation culture for innovation-driven organizations and inspire employees to innovate and develop the organizations' innovation, including its processes, service, and general performance.

Ismail and Abdmajid (2007) argued that, within a supportive culture for innovation, adopting a management style that supports innovation is crucial for innovation to flourish. Organizational leaders significantly impact organizational culture, resource allocation, communication, decisions, reward, and punishment systems in the firm (Collinson, 2014). Therefore, studying the appropriate styles that inspire and encourage employees to innovate and improve organizational processes and services helps leaders create a supportive culture for innovation and drive the organization with innovation. Nahavandi (2002) argued that different leadership styles impact employees and organizational performance differently.

Lowe et al. (1996) discovered that transformational and transactional leadership styles negatively correlated with employees' quitting plans and organizational withdrawal. Same study has discovered that certain leadership styles are more competent at adapting change and addressing challenges.

#### **Public Sector Organizations in the UAE**

The UAE is located northeast of the Arabian Peninsula. It is one of the world's wealthiest countries. The total GDP of the UAE is over \$500 billion, and its GDP per capita is around \$58,000. UAE has been home to a truly multinational workforce from more than 100 countries and cultures with unique work habits and lifestyles. Most of these workers are also from the emerging economies. Due to expat-friendly laws, UAE has been a heaven for foreign nationals. In early 2023, out of total population of 10.17 million, about 9.0 million (about 90 %) were the expatriate workers. Public sector organizations must serve the expatriates as well as they are the backbone of their economy. In addition, over 15 million visitors come to UAE for short visits per year (United Arab Emirates Population Statistics 2023, 2023). These facts highlight the role of the public sector organizations to constantly innovate and serve such extremely diverse population and visitors.

In conclusion, most of the studies discussed were conducted in western settings (Aboramadan et al., 2020). Public sector organizations in UAE have been leading the modernization process spanning over half a century. The government appoints the leadership team of these organizations, and they have been given ambitious targets to innovate and serve a uniquely diverse population and visitors. Most employees in these organizations belong to traditional culture where maintaining status quo and conformity was regarded as a virtue. Innovation in these organizations has been a difficult challenge, so they are looking for new ways to motivate their employees and create an innovative culture.

Based on the extensive literature review, no significant publication was located explaining the publicsector's innovation process in such a diverse country, a role model for emerging economies, serving an extremely diverse population and visitors. Lack of published research can be attributed to Western scholars' ignorance about the region, or UAE public sector organizations were not open to sharing their operations with Western academicians in the past. Therefore, this robust study on innovation driven leadership is needed to further assist UAE public sector to innovate and satisfy extremely diverse population and visitors. Therefore, to support innovation-driven leadership, it is essential to conduct empirical studies in the public-sector context in the UAE to examine the relationship between creating an innovation culture and employees' and organizations' innovation and the impact of such a relationship on enhancing organizations' general performance. This is the first major study to better understand the innovation culture in the UAE public sector. The findings of this study can provide critical information to leaders, contractors, employees, and human resource policymakers in UAE and even other emerging economies in the Middle East and beyond.

Drawing on diverse theories and approaches used in previous studies, the innovation-driven leadership model designed in this study demonstrates a realistic, practical, and effective approach for analyzing an innovation culture, nurtured by a leader whose aim is to drive public-sector organizations with innovation. The model is based on an important component of innovation culture: the "leadership styles" supporting innovation-driven organizations. Moreover, several innovative leadership dimensions and behavior proposed by De Jong and Den Hartog (2007) are combined to identify the second variable, i.e., "leadership behavior" that supports employees' innovation in the UAE cultural environment. The variables were selected based on the unique structure and culture of UAE organizations. Additionally, these two broad variables could address most of the issues of driving innovation in public-sector organizations in emerging economy such as UAE; the variables' impact on employees' and organizations' innovation and performance could then be compared.

Referring to De Jong and Den Hartog's 2007 model and literature review, seven sub-variables that supports the creation of an innovation culture in public organizations were included under "leadership behavior" supporting innovation to better understand the innovation process in these public-sector organizations.

Evidently, no such comprehensive study on innovation in public-sector organization in the UAE exists; however, this sector accounts for a large employment of the UAE citizens and has been a driving force for UAE economic growth since the country's creation. Innovation in UAE is also seen as a role model for many emerging economies.

# **RESEARCH METHODOLOGY**

Qualitative research methodology was employed utilizing in-depth interviews. There are 16 senior managers from semi-public and public organizations, providing a variety of observations. Participants for this study were selected using a purposeful sampling procedure (Palinkas et al., 2015). Table 1 presents the summary of the participants' eligibility criteria.

Type of organization	Sample Eligibility
	Service Organization.
	Participants should be at upper or middle management level.
	Participants should have worked at least two years.
Government or semi- government organizations	Participants should be conversant with handling innovation projects, committees or groups of people that drive innovation. Participants should be knowledgeable about the BSC tool as organizations use it as a performance-measurement tool.

# TABLE 1 SUMMARY OF THE SAMPLE ELIGIBILITY

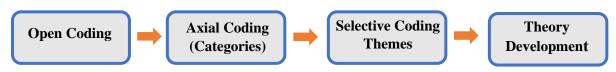
Based on the above criteria, the sample included six participants from government and ten participants from semi-government organizations in the commercial capital of UAE, Dubai. An in-depth interview guide was prepared for collecting data from the sampled participants. The instrument was pre-tested on three senior managers. Based on feedback, the guideline was modified.

The interview helped obtain leaders' insights, opinions and real-life experiences, and leadership strategies for driving innovation in public-sector organizations. The interviews were conducted in two ways—face-to-face at the organization premises or online interviews through Microsoft Teams based on the organization's preference. Each interview lasted 30-45 minutes.

#### **Data Analysis Plan**

After preparing and organizing the collected data from the interviews of each participant and transcribing the data, the process for data analysis is explained in Figure 1.

# FIGURE 1 THEORY GENERATING PROCESS



# DATA ANALYSIS

This section presents data analysis from the sixteen participants from the public-sector organizations. Participants' responses are summarized in Table 2; however, specific responses from managers for each variable are presented in the Result and Discussion section. The grounded theory was adopted for open code analysis; the open codes were further grouped for in-depth understanding of the innovation process and theory generation.

Leadership Strategies for Innovation-driven Organizations	Government Organization	Semi-Government Organization
Leadership Style that supports innovation-driven organization	All the upper management-level leaders (three out of three) and most of the middle management-level leaders (two out of three) supported this strategy.	All the upper management-level leaders (three out of three) and most of the middle management-level leaders (five out of seven) supported this strategy.
Leadership behavior that supports innovation Delegation of power to support innovation	All the upper management-level leaders (three out of three) and all middle management-level leaders (three out of three) supported this strategy.	Majority of the upper management-level leaders (two out of three) and most of the middle management-level leaders (five out of seven) supported this strategy.

# TABLE 2 SUMMARIZED CROSS-CASE ANALYSIS RESULTS

Leadership Strategies for Innovation-driven Organizations	Government Organization	Semi-Government Organization
Empowering employees to innovate.	All of the upper management- level leaders (three out of three) and all middle management- level leaders (three out of three) supported this strategy.	A minority of the upper management-level leaders (one out of three) and most of the middle management-level leaders (five out of seven) supported this strategy.
Engaging employees to innovate.	All the upper management-level leaders (three out of three) and most of the middle management-level leaders (two out of three) supported this strategy	Minority of the upper management-level leaders (one out of three) and a minority of the middle management-level leaders (three out of seven) supported this strategy.
Assigning tasks that support innovation.	Majority of the upper management-level leaders (two out of three) and majority of the middle management-level leaders (two out of three) supported this strategy.	Majority of the upper management-level leaders (two out of three) and majority of the middle management-level leaders (four out of seven) supported this strategy.
Providing required resources for innovation	All the upper management-level leaders (three out of three) and a minority of the middle management-level leaders (one out of three) supported this strategy.	All the upper management-level leaders (three out of three) and most of the middle management-level leaders (four out of seven) supported this strategy.
Developing learning and knowledge	All the upper management-level leaders (three out of three) and middle management-level leaders (three out of three) supported this strategy.	The upper management-level leaders (three out of three) and most of the middle management-level leaders (four out of seven) supported this strategy.
Reward and Recognition	All the upper management-level leaders (three out of three) and all middle management-level leaders (three out of three) supported this strategy	All the upper management-level leaders (three out of three) and majority of the middle management-level leaders (four out of seven) supported this strategy

The coding process created 140 different codes from 16 detailed interviews. The axial coding grouped the open codes into two broad categories: leadership style that supports innovation (includes two sub-categories), and leadership behavior that supports innovation (represents innovative leadership behavior and includes seven sub-categories). The coding process and analysis helped us to address both research questions.

Leaders from both the government and the semi-government organizations revealed numerous strategies supporting leadership to drive organizations with incessant innovation. Interview results of the leadership strategies for driving innovation in public-sector organizations are presented in the following subsections.

#### **RESULTS AND DISCUSSIONS**

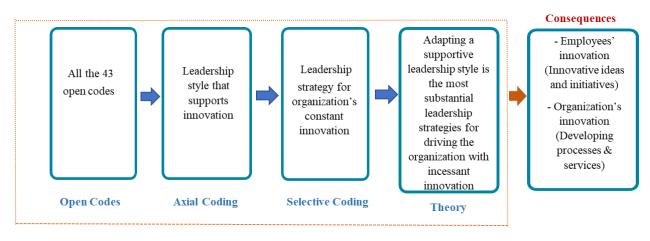
#### Leadership Styles That Support Innovation-Driven Organization

Fifteen out of 16 participants made 43 references to the leadership styles that mostly support the enhancement of employees and the organization's innovation. Leaders from both government and semigovernment organizations exhibited some behavior of the transformational and transactional leadership styles adopted to inspire teams and simulate workforce innovation for the success of the organization. Several leaders from both organizations suggested that leaders adopt different styles to manage different situations and innovation stages and effectively understand and support employees to enhance their innovation and performance. One of the senior government leaders quite clearly stated.

"I challenge myself and employees to develop new ideas to develop the system or enhance the processes. We keep challenging each other until the implementation and follow up the progress after the implementation to ensure continuous improvement."

In summary, interviewed leaders from both organizations described their leadership styles and actions that support employees, develop innovation behavior, and encourage them to introduce innovative ideas. From leaders' descriptions to their characteristics and behavior with their employees and teams, it is evident that most of the interviewed leaders from government and semi-government organizations believe in transformational and transactional leadership styles to stimulate employees' innovation to develop organizations' innovation and performance.





**Proposition 1:** Adopting a supportive leadership style is the most substantial leadership strategy for driving organizations with incessant innovation, which enhances employees' and organizations' innovation.

#### Transformational Leadership Style

Fifteen out of 16 participants made 27 references to the transformational leadership style and considered it the most supportive and inspiring leadership style that improves employees' innovation to enhance organizations' innovation.

Most of the respondents considered leaders with transforming behavior as a main driver of innovation in organizations. Some mentioned that they challenge themselves to inspire employees to innovate and improve organizations' performance. They emphasized to inspire, encourage, motivate, challenge, and assign hard tasks to challenge the employees to think deeply, search for and find new methods for performing tasks, and innovate. The upper management-level leaders from the government organization argued that they discuss with their employees their innovative ideas. They also brainstorm, redirect, and provide support if the ideas require further improvement, to make them more effective and implementable. They inspire employees to discuss their ideas freely without any fear, this increases employees' innovation initiatives, and make the ideas more effective. The leaders emphasized that if the innovative ideas require financial support, they guide employees to find the best possible resources, thus, employees are not disappointed and demotivated.

Two of the upper management level leaders from semi-government sample highlighted that the employees are motivated to develop their learning, knowledge, and skills by providing the required training to develop their critical thinking skills, technical and innovation capabilities.

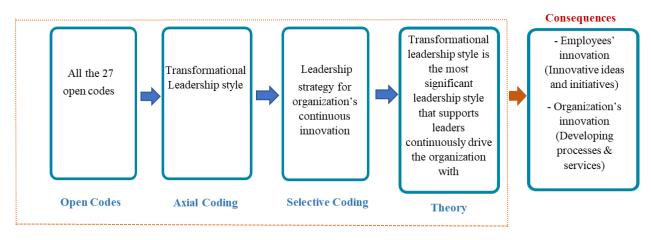
"I also motivate my employees by enhancing their learning skills and knowledge by providing them the required trainings and workshops to enhance their technical and critical thinking and innovation skills."

Several upper and middle management-level leaders from semi-government organizations highlighted that they empower and delegate authorities to stimulate employees' innovation. All the upper and middle-management-level leaders from the semi-government organization revealed that they empower their employees and delegate authorities to motivate their teams to make decisions without fear.

The government organization leaders argued that various training programs are offered in the organization and all employees must attend the training to develop their skills and capabilities to implement the job effectively and develop the organization's systems. Operations, processes and enhances its performance.

"We have many leadership programs that are offered monthly and quarterly in addition to other trainings programs to all employees in the organizations. All must be trained."





**Sub-Proposition 1-a:** The transformational leadership style is the most significant leadership style that supports leaders to continuously drive organizations with innovation, which inspires employees to create ideas for developing organizations' innovation.

#### Transactional Leadership Style

Eleven out of 16 participants made 16 references to transactional leadership style that supports and inspires employees to introduce new ideas for developing organizations' innovation. Most of the leaders

admit to adopting transactional behavior for driving innovation in their organization. Some leaders from the government organization stressed the importance of assigning tasks, following up, and providing feedback to develop employees' skills and improve their innovation behavior and actions.

A middle-level leader informed that there is a weekly meeting to discuss the progress of the implementation of all ideas introduced by the team members or suggested by other departments in the organization.

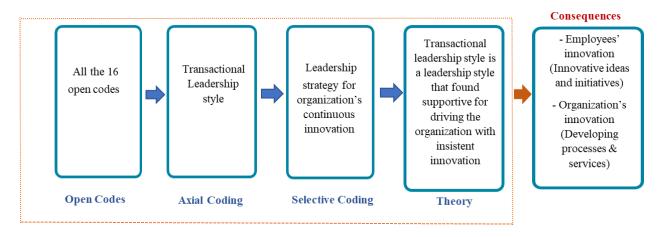
"We have also weekly meetings for ideas to improve the current processes and to work implanting ideas suggested by other employees/departments and related to our department, so we have to carry on the implementation."

Another middle management level leader revealed that she is supporting the employees with the required resources, such as guidance, time, trainings, knowledge, and budget to support employees introduce new and innovative idea and implement the ideas to develop organization's processes and services.

"I assign tasks to employees. I assure my employees have sufficient resources to perform the tasks. Also, I ask employees what additional resources or support they need to perform the tasks and develop new processes and ideas."

Moreover, all the upper management-level leaders from the semi-government organization empathized that they continuously check with employees and coach them to provide the required support to solve the issues and overcome the obstacles to ensure they are on the right track to reaching the desired goals. They revealed that they meet their teams every week to follow up on the progress of projects and status of issues, if any, and take the required actions to resolve the problems using cost-effective and innovative methods. One of the leaders mentioned that he meets his team every morning to highlight issues, discuss freely, and brainstorm cost-effective solutions, increasing their happiness, productivity, and rewards.

# FIGURE 4 TRANSACTIONAL LEADERSHIP STYLE SUPPORTING PUBLIC SECTOR ORGANIZATION AND EMPLOYEES WITH INNOVATION



**Sub-Proposition 1-b:** The transactional leadership style is less important in supporting employees' innovation to develop organizations' innovation.

#### Leadership Behavior that Supports Innovation

Delegation of Power to Support Innovation

Thirteen participants made 12 references to delegation of power as an innovative leadership behavior and its relationship with enhancing employees' and organizations' innovation.

All the leaders from the government organizations and most of the semi-government organization's leaders (seven out of 10) emphasized the importance and the significance of delegation of power on employees' and organizations' innovation. In both organizations, the upper and middle management-level leaders stressed that delegation of power is a management practice and part of an organization's policy.

Two middle management level leaders stressed the importance of delegation of power as it supports releasing the pressure on the leader and providing more time to concentrate on other critical strategic objectives.

"Delegation of power is very important to release some pressure on the leader and to concentrate more on the strategic objectives and development goals."

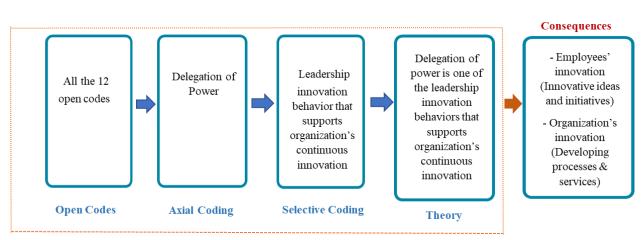
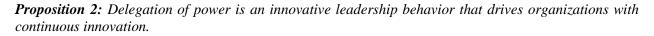


FIGURE 5 FIRST INNOVATIVE LEADERSHIP BEHAVIOR: DELEGATION OF POWER



#### Empowering Employees to Innovate

Twelve participants made 14 references to empowering employees to innovate as an innovative leadership behavior and its association with enhancing employees and organizations' innovation.

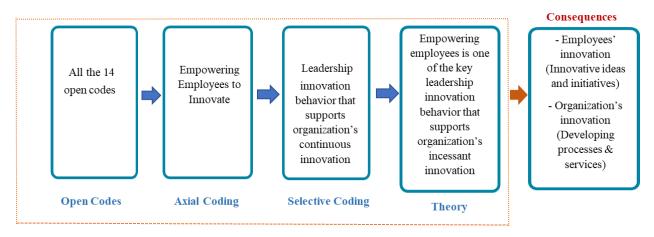
All the leaders from the government organization. Only one out of three from the upper managementlevel and five out of seven from the middle management-level leaders from the semi-government organization insisted that empowerment is closely related to innovation and one of the main drivers of innovation in organizations. All leaders from the government organization along with one leader of the upper management-level leaders from the semi-government organization considered empowerment as the main attribute of innovation-driven leadership that enables leaders to drive organizations with innovation.

Empowerment develops employees' skills and capabilities and challenges them to achieve their goals and to accept and handle more challenging tasks and responsibilities. An interesting quotation is presented here.

"With the empowerment of employees, the leader has more time to concentrate more in the strategic objectives."

Numerous leaders emphasized the significant impact of empowering employees in boosting their innovation and enhancing organizations' innovation and performance. Leaders from the semi-government organization claimed that empowerment enhances employees' self-efficacy and improves their decision-making capabilities without any fear. Additionally, it reduces the pressure on the leader to focus more on other strategic and development objectives. This stimulates employees to accept more and challenging responsibilities and introduce new and innovative ideas for enhancing organizations' innovation and services.





**Proposition 3:** Empowering employees is a key innovative leadership behavior that supports organizations' incessant innovation.

#### Engaging Employees to Innovate

Nine participants made 15 references to engaging employees to innovate as a competency and innovative leadership behavior and its connection with enhancing employees' and organizations' innovation.

Leaders from the government organization (three out of three from the upper management level and two out of three from the middle management level) and minority of leaders from the semi-government organization (one out of three from the upper management level and three out of seven from the middle management level) considered engaging employees to have significant effects on employees' innovation behavior and actions to develop organizations' innovation. Leaders from the semi-government organization mentioned that engaging employees is a policy in organizations, and included in employees' objectives, influencing employees' innovation and performance. Leaders from the government organization argued that engaging employees increased their enthusiasm and motivation to successfully implement innovation initiatives and projects. Similarly, leaders' engagement with their employees profoundly impacted employees' development and innovation in the semi-government organization.

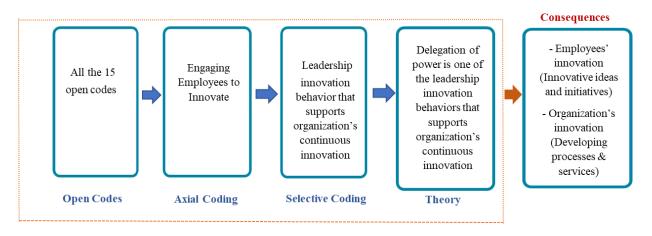
Another leader confirmed that effectiveness and existence of such policy and its effect on shaping her skills and capabilities since the first day of joining the organization. Two specific statements are as follows.

"Engagement in the innovation us very important as it supports in enhancing employees and organizational innovation."

"For the first day of the organization, I felt the engagement. I had intensive trainings and was assigned to a technical department to prepare and design."

According to the interviewed leaders the process of engaging employees can be performed by employing several methods. The upper management-level leaders from the government organization argued that leaders can engage employees by involving them in decision-making for implementation processes of their ideas, giving employees freedom to innovate, and accepting the resultant risk from the engagement assignments. This enhances workforce interest, enthusiasm, and critical thinking to find new and innovative methods for performing and developing organizational processes and services. Leaders from the semigovernment organization conveyed different opinions on engaging employees in the innovation initiatives and actions.

# FIGURE 7 THE THIRD LEADERSHIP INNOVATION BEHAVIOR: ENGAGING EMPLOYEES TO INNOVATE



**Proposition 4:** Engaging employees to innovate is an innovative leadership behavior that drives organizations with constant innovation.

#### Assigning Tasks That Support Innovation

Ten participants made 10 references to assigning tasks to support employees to innovate as an innovative leadership behavior and its affiliation with developing employees' and organizations' innovation.

Majority of the upper management-level leaders (two out of three) and the middle management-level leaders (two out of three) from the government organization along with other leaders from the semigovernment organization (two out of three from the upper management level and four out of seven from the middle management level) emphasized the importance of assigning tasks to employees to enhance their learning, skills, and growth. The leaders argued that a successful leader should assign tasks with proper follow-up and guidance to ensure employees are on the right track and to encourage the staff to identify solutions and cooperate as a team with common goals to accomplish the assigned task, overcome the obstacles, achieve organizations' goals and objectives and to ensure employees' and teams' development and success. Additionally, leaders from the government organization mentioned setting of innovative future strategies and assigning strategic objectives to employees to ensure organizations' readiness for any sudden changes and advancement in innovation polices and strategies to promote organizational survival and success.

They also ensured proper follow-up and regular guidance to ensure employees were on the right track. Additionally, the leaders mentioned the strategy of assigning small tasks and projects for new employees and fresh graduates with close monitoring and daily follow-up. The tasks are gradually increased by assigning them work on projects with other experienced and skilled teams in the department. Once they master the skills, they are assigned full responsibilities and projects to lead the projects until successful completion.

Three of the middle management level leaders emphasized the necessity of providing clear job descriptions to clarify employees' responsibilities and expectations to accomplish the required tasks. One leader loudly stated that,

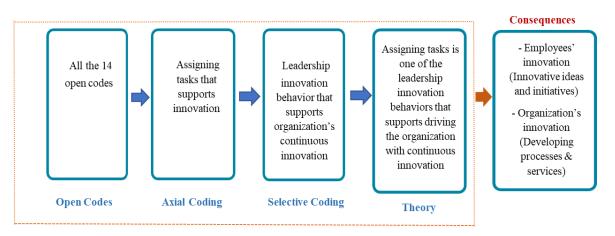
"Employees should have clear job description for their roles and responsibilities and what is expected for them, even with the objectives related to innovation."

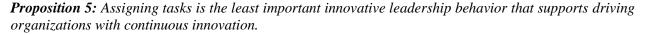
A senior leader argued that employees must know how to appropriately perform their jobs and gradually their tasks to become more challenging to meet organization's innovation targets.

"First employees have to be aware and should learn and experience their work properly, then move to innovation."

The leaders stressed providing proper guidance and training to develop employees' knowledge and skills before assigning innovation tasks.

#### FIGURE 8 FOURTH INNOVATIVE LEADERSHIP BEHAVIOR: ASSIGNING TASKS THAT SUPPORT INNOVATION





#### Providing Required Resources for Innovation

Eleven participants made 14 references to providing the required resources as an innovative leadership behavior and its relationship with developing employees' and organizations' innovation.

All the upper management-level leaders and one of the middle management-level leaders from the government organization, along with all the upper management-level leaders and the majority of the middle management-level leaders (four out of seven) from the semi-government organization, insisted on the necessity of providing the required resources, such as funds, time, and guidance, that support and inspire employees to utilize the resources for introducing initiatives for improving organizations' processes, innovation, and performance.

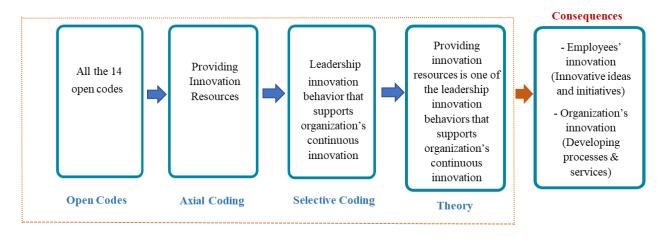
Leaders from the government organization emphasized that providing resources such as facilities, location, funds, time, and guidance is essential to enable employees to initiate and implement innovative ideas. Similarly, the upper management-level leaders from the semi-government organization emphasized

that providing resources, such as knowledge development, training, guidance, sufficient time, budget, empowerment, support, and rewards are crucial to enable employees to introduce and implement innovative ideas for organizations' development and success. Moreover, the leaders highlighted that providing budget and the required time for implementing the ideas are crucial for stimulating employees' innovation. The leaders added that providing these resources creates a supportive culture that enables employees accomplish their tasks, innovate, and enhance organizations' innovation.

In addition, the leader should spare time for employees to listen to their ideas, discuss and support in improving the ideas, and follow up the implementation process. A leader from a government organization does not doubt it.

"One of the main resources, is to provide employees the required time and to discuss their ideas in their time and not to delay the implementation and to keep following up and discussing the progress of ideas' implementation."

#### FIGURE 9 FIFTH INNOVATIVE LEADERSHIP BEHAVIOR: PROVIDING INNOVATION RESOURCES



**Proposition 6:** Providing the required resources is an innovative leadership behavior that supports organizations' continuous innovation.

#### Developing Learning and Knowledge

Fourteen participants made 12 references to developing learning and knowledge as an innovative leadership behavior and its association with developing employees' and organizations' innovation.

All the upper management-level leaders and middle management-level leaders from the government organization and all the upper management-level leaders and a majority middle management-level leaders (four out of seven) from the semi-government organization insisted on the importance of developing employees' learning and knowledge to enhance employees' innovation and improve organizations' innovation and performance. Most upper and middle management-level leaders mentioned conducting training requirement analysis to develop their employees' skills and learning by cooperating with the training department to budget and provide the required training. This enhanced employees' learning, knowledge, growth, and innovation.

The leaders from the government organization emphasized the importance of developing employees' learning and knowledge to stimulate their innovation and enhance organizations' innovation and performance. They insisted that developing employees' learning and knowledge is an organization's top priority and a continuous process that helps improve employees' skills and capabilities.

Another upper management level leader revealed that the organization offered many opportunities to develop learning and knowledge on the local and global levels. Many chances were provided to participate

in the local and international conferences to share the knowledge and market for organization's new products and services, which is a great opportunity to share knowledge and learn from others.

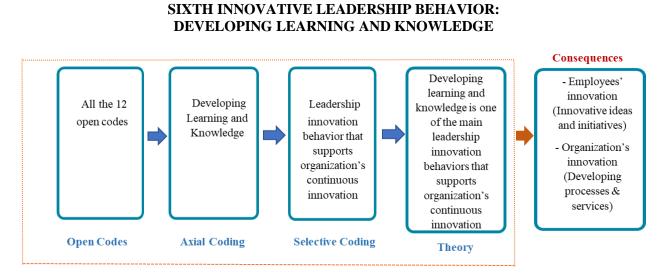
"We have a lot of participation in the international conferences. We share our knowledge with others in international conferences internally and internationally. We also market for our new technologies and systems in the conferences and learn from others as well."

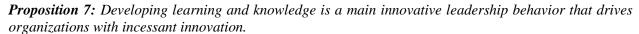
The middle management level leaders also found developing learning and knowledge to have great impact on increasing employees' innovation capabilities and improving organization's innovation. One of the leaders reveled that knowledge is the Key to innovation and without proper knowledge, innovation is not possible.

"Knowledge is the base for innovation. Knowledge plays a great role initiating new idea, implement new and different ideas and enhance the innovation in the organization."

Similarly, the upper management-level leaders from the semi-government organization emphasized the necessity of developing employees' learning and knowledge to successfully perform assigned tasks, innovate, and develop organizations' innovation and performance. The middle management-level leaders from the semi-government organization considered developing learning and knowledge to significantly impact increasing employees' innovation capabilities and improving organizations' innovation. Four of the middle management-level leaders affirmed that organizations offer a variety of specialized and intensive training to all categories of employees to improve their skills, develop their knowledge, and enhance their capabilities to effectively perform tasks, develop services, and overcome obstacles and crises (such as COVID-19) using innovative solutions.

**FIGURE 10** 





#### Reward and Recognition

Thirteen participants made 20 references to reward and recognition as an effective leadership behavior that develops employees' and organizations' innovation.

All the leaders from government organization along with the leaders from the semi-government organization (three out of three from the upper management level and four out of seven from the middle

management level) emphasized the significant impact of reward and recognition on employees' innovation, achievement, organizations' development, and performance. They confirmed that rewarding employees for their innovation and achievement is a management practice and an ongoing process in organizations. Additionally, different types of reward and recognition systems, such as financial and non-financial rewards and incentives, are implemented in organizations.

The leaders from both the organizations claimed that rewarding employees has a positive and significant impact on employees' and organizations' innovation. Two of the upper management-level leaders from the government organization mentioned that rewarding employees is positively related to creating a supportive culture for innovation that stimulates employees' innovation and enhances their productivity and performance. Similarly, all the middle management-level leaders insisted on the necessity of rewarding employees and its positive impact on employees' innovation and organizations' performance.

Most of the upper management-level leaders (two out of three) and three of the middle managementlevel leaders (three out of seven) from the semi-government organization emphasized the importance of reward and recognition and their positive relationship with creating a supportive culture for innovation, which stimulates employees' innovation and enhances their productivity and performance.

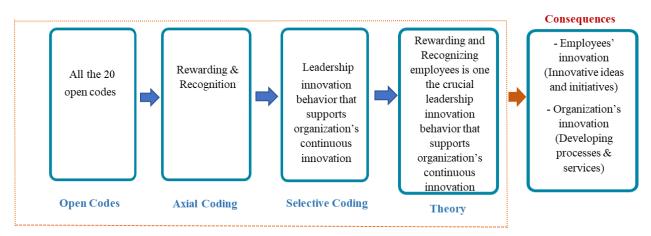
The leaders of the government organization rewarded and appreciated employees in several ways. The upper management-level leaders encouraged and rewarded employees for their achievements and behavior change as it enhances employees' flexibility to become more innovative.

The leaders from the semi-government organization expressed different perspectives on how leaders can reward employees. The upper management-level leaders insisted that leaders should be open-minded and spread the culture of positivity, and appreciate employees' efforts, even if the idea is not feasible.

One of the middle management level leaders revealed that recognitions and rewards motivate the workforce to find new and innovative methods for solving the issues, overcoming the challenges, and developing organization's processes.

"Recognition supports in forgetting the difficulties faced and motivate employees to give more innovative ideas."

# FIGURE 11 SEVENTH INNOVATIVE LEADERSHIP BEHAVIOR: REWARDS AND RECOGNITION



**Proposition 8:** Rewarding and recognizing employees is the most important innovative leadership behavior that drives organizations with incessant innovation.

#### Impact of All Leadership Strategies and Behavior

The output of the study reveals that numerous innovative leadership behaviors, which effectively drive organizations to innovation and stimulate employees' innovation to develop organizations' innovation and services, exist.

Most of the leaders considered Reward and Recognition the most stimulating leadership behavior that motivates employees to introduce and implement new ideas for improving organizations' processes and services. Thirteen out of 16 leaders made 20 references to reward and recognition as an effective leadership behavior that stimulates employees' innovation to enhance organizations' innovation. Conversely, Assigning Tasks had the lowest references from the interviewed leaders as a leadership behavior for supporting employees' and organizations' innovation. Ten participants made 10 references to Assigning Tasks as a leadership behavior that supports innovation and its relationship with enhancing employees' and organizations.

Additionally, the results suggested that Leadership Style ranked highest among all other leadership strategies for driving public-sector organizations with innovation. Fifteen out of 16 leaders made 47 references to the Leadership Style as the most effective leadership strategy for driving public-sector organizations with constant innovation. The transformational leadership style was the most supportive and inspiring leadership style that inspires employees to innovate and develop organizations' processes and services. Moreover, the results emphasize that the transactional leadership style drives organizations with constant innovation, encouraging employees to introduce new ideas and develop organizations' innovation. The interviewed leaders mentioned that other innovative leadership behavior—delegation of power, empowering employees, engaging employees, providing resources, and developing learning and knowledge—are important and play critical roles in enhancing employees' and organizations' innovation for achieving organizations' constant innovation. The other innovative leadership behavior obtained similar references (varied from 12–14 references) from the interviewed leaders, which supported inspiring employees to innovate and develop government organizations' services and innovation.

The results suggest that creating an innovation culture based on developing innovative leadership strategies for constant innovation is the ultimate strategy that continuously supports public-sector leaders to stimulate employees' innovation to develop organizations' innovation, processes, and services. This enhances government organizations' general performance.

The impact of all leadership strategies and behaviors for driving employees' and organizations' innovation are summarized in Proposition 9.

**Proposition 9:** Innovative leadership strategies are crucial for creating an innovation culture, which is needed for driving public-sector organizations with continuous innovation.

#### THEORETICAL AND MANAGERIAL IMPLICATIONS

The Literature Review section revealed that studies examining leadership's role and the link between the innovation culture and employees' innovation that promote public organization's innovation and performance has almost been avoided in UAE and the Middle East region. This is the first comprehensive study addressing these important topics in UAE. This study provides valuable insights and opportunities to leaders, managers, academic researchers, and policymakers about the appropriate strategies for developing organizations' innovation and performance. This project identified the relationship between innovationdriven leadership and organizational performance and then developed an innovation culture model in UAE highlighting the positive leadership behavior.

The findings of this comprehensive qualitative study addressed both research questions. Research Question # 1 was the foundation of the study, and the findings are summarized in Propositions 1, 2, 3, 5, 6, 7, 8, and 9. Research Question # 2 focused on leadership styles and the results are summarized in Propositions 1, 1-a, and 1-b. A summary of the differences and similarities among the leaders of government and semi-government organizations are presented in Table 1.

#### **Implications for Theory**

This study aimed to explore the association between leadership and innovation in public-sector service organizations in UAE. Identification of the innovation culture dimensions in UAE that can be used to support innovative leaders to stimulate employees' innovation and organizations' innovation are validated by this study. Both dimensions: leadership style and leadership innovation behaviors supporting innovation, have a direct, positive, and highly significant impact on employees' innovation, public-sector organizations' services' development, and overall performance. However, these organizations have subtle differences, which are already highlighted in the previous sections.

At the same time, a leadership style did not come out to be significantly better in propelling innovation in the UAE public sector organizations, which contradicts the findings of Damanpour and Schneider (2009) and Ikeda et al., (2017). However, the transformational leadership style was more favorable to innovation. Similarly, a cultural dimension (particularly innovative leadership behavior related to assigning tasks) is indicated as having insignificant effect in stimulating employees to innovate in UAE. This finding contradicts extant literature (particularly Nyarku and Korkpoe, 2013), which suggests that assigning challenging tasks correlates with innovation and promoting employees' innovation. Such contradictory findings suggest further investigations of the impact of assigning tasks on employees' motivation to innovate. Therefore, future studies shall continue examining this dimension and other dimensions that reported non-significant impacts in UAE public-sector organizations.

#### **Implications for Practice**

Based on the study's results on innovation-driven leadership and innovation culture development, the transformational leadership style was considered the most significant by the innovation-driven leaders in UAE. Additionally, most of the leaders viewed and ranked innovative leadership behavior (specifically rewarding and recognizing employees) as crucial dimension of the innovation culture and innovation-driven leadership strategies for developing employees' and organizations' innovation to achieve high performance. Therefore, leaders in public-sector organizations in UAE and similar emerging economies should be attentive to these dimensions in their quest to innovate and achieve high performance.

#### LIMITATIONS OF THE STUDY AND FUTURE RESEARCH DIRECTION

This study is based on sixteen leaders' interviews in two public-sector service organizations, which can be considered as a small sample. Due to lingering Covid era restrictions, convincing more organizations and managers to participate was difficult. Also, the sample does not include private-sector service organizations. Therefore, the empirical results cannot be generalized for all service organizations in the UAE and similar emerging economies. Further studies should be conducted with more public and privatesector service organizations.

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