

**Leadership capabilities that facilitate innovative culture in organisations**

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## **Abstract**

Innovation remains a valued strategic lever for organisational growth and competitive advantage and leadership continues to be seen as vitally important in driving innovation however, there remains paucity on how leaders facilitate and engender a culture of innovation in organisations. This research was aimed at establishing the leadership capabilities used by leaders to infuse and engender a culture of innovation. A qualitative study based on 15 semi-structured interviews was conducted with senior managers in innovative companies in both the public and private sector revealed that the extent to which leaders are able to facilitate innovation is subject to the broad understanding of innovation within the organisation, aligned and supportive organisational climate as well as the existence of the supporting systems, structures and processes all working in concert. The research further contributes to the body of knowledge by developing a conceptual framework that aims to advance scholarly calls for leadership models specifically for innovation. The research provides significant contribution in understanding leadership capabilities that foster and engender innovation within a South African context. The management implications from the study is a call for awareness in how organisational design elements are structured to support strategic innovation initiatives.

**Keywords:** Leadership, leadership capabilities, innovative culture, innovation leadership capabilities

## **Declaration**

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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## CHAPTER 1: Introduction to research problem

### 1.1 Introduction

Michael Jordaan, has been hailed as one of South Africa's innovative leaders (Robertson, 2015) after First National Bank's digital transformation to a technology differentiated bank during his tenure as its Chief Executive Officer. Under his leadership, First National Bank introduced South Africa's first banking mobile application for smart phones (Staff Writer, 2011) and a service that enabled customers to transfer money to anyone with a valid South African mobile phone number (Staff Writer, 2012).

These innovations led to First National Bank's international recognition when it was granted the Global Banking Award for being the world's most innovative bank by BAI-Finacle (Groenewald, 2013a; McLeod, 2013). In response to suggestions that the bank's competitors could copy its innovations, Jordaan responded that First National Bank's success was in its corporate culture, and the tone of that culture adding that these could not be copied (Groenewald, 2013b).

Jordaan's assertions are supported by the fact that First National Bank remains one of South Africa's most innovative banks following his departure, as attested by the bank being awarded Africa's most innovative bank at the 2017 Africa FinTech awards (Staff Writer, 2017). The sustainability of the organisation's innovative culture beyond Jordaan's tenure begs the question: how can leader innovation capabilities be turned into innovative organisational culture? If this could be done, how do leaders facilitate cultures of innovation in organisations? Perhaps a more apposite question, is how do leaders engender innovation in organisations?

### 1.2 Background

Schoemaker, Heaton and Teece (2018) suggest that the environment in which organisations operate has become volatile, uncertain, complex and ambiguous (VUCA). Economic turbulence, boundary-less geographies, globalisation, increasing customer demands and the rapid technological changes are continuously challenging business relevance and sustainability for the future (Fontana & Musa, 2017). To remain relevant, Teece, Peteraf and Sohvi (2016) suggest that organisations need to be agile and adaptable. Boal and Hooijberg (2000) argue that an organisation's adaptability stems from a leader's ability to be open to and accept change while Arena and Uhl-Bien (2016) posit

that the ability of an organisation to adapt is a subject of the daily interactions of people in solving contextual problems. Prasad and Junni (2016) hold that leaders shape organisations through their influence, authority, level of responsibility in decision-making as well as by creating an environment conducive to implement the set vision.

Research suggest that innovation is important not only for organisational growth and survival in a dynamically changing and complex environment but it is also critical for enhancing a country's economic competitiveness (Biemans, 2018; De Jong & Den Hartog, 2007; Kuratko, Hornsby, & Covin, 2014; Oliveira & Martins, 2011). Over and above economic growth and competitiveness, The World Bank (n.d.) recognises innovation and entrepreneurship as key factors necessary to contribute towards addressing developmental challenges such as job creation, economic inclusivity and sustainability. Job creation, economic inclusivity and sustainability have been identified as priority issues for South Africa (National Planning Commission, 2011). To address these issues, the National Planning Commission identified innovation as one of the priorities to stimulate and transform the South African economy (National Planning Commission, 2011).

In the past, South Africa had relied on mining as the engine for economic growth. Given the finite nature of commodities, the government committed itself to transforming the commodity based economy to a knowledge-based economy by developing an environment that would allow for the development of an inclusive innovation society and human capital to improve the country's competitiveness (Department of Science and Technology, 2008).

Despite these proclamations, the World Bank's 2017 economic update report on South Africa's innovation for productivity and inclusiveness warned that given the competitive pressures that the country faced, it will have to invest more in innovation or risk continuing to lag behind its peers (The World Bank, 2017). The 2018 white paper on Science, Technology and Innovation, which was a review of the 2008 innovation plan, conceded that little progress had been made in furthering the objectives set out in 2008 as well as the imperatives outlined in the National Development Plan 2030 (Department of Science and Technology, 2018). The country was also ranked 58th out of 126 countries in the 2018 Global Innovation Index (Cornell University, INSEAD and World Intellectual Property Organisation, 2018).

According to the assessment by Ezell, Nager and Atkinson's (2016), investing more in innovation, as suggested by the World Bank (The World Bank, 2017), will not solve the country's challenge of not being able to innovate as South Africa was categorised as an innovation follower in the global innovation impact ranking study. An innovation follower is defined as a country whose innovation impact is weak relative to its contribution despite playing by the rules (Ezell, Nager, & Atkinson 2016). Bel (2010) indicates that leaders shape organisations, given South Africa's dismal performance on innovation, this research seeks to explore the perceived role of leaders in facilitating a culture of innovation.

Four out of the 10 innovative companies in Africa in the 2012 Forbes list came from South Africa (Nsehe, 2012) and the start-up economy sees a production of some big names of innovative companies such as Pricecheck, an e-commerce platform that provides product price comparisons (Smith 2014). Further to this, the annual reports of companies suggest their leaders have identified innovation amongst their strategic objectives. The misalignment of the general acceptance of the importance of innovation and the lag in implementation raises a question on where the problem inhibiting innovation in South African companies could be. Given the pivotal role of leaders in organisations as outlined above, this research explores their perceived role in facilitating a culture of innovation. The objective is to understand how innovative leaders are able to develop innovative organisations.

In the context of this study, leaders are not only those at the apex of organisations or the organisation's dominant coalition, as referred to by Pitelis and Wagner (2019) but includes different actors in an organisation as suggested by Bel (2010) who cautions that the elevation of leaders as the key determinant of the organisation's level of innovation amongst the most innovative companies shifts the focus away from the need to embed innovative leadership across the organisation, something that is pivotal for sustained innovation.

### **1.3 Research purpose**

The study is concerned with understanding what is required to drive an innovative culture in organisations. The purpose of this research is therefore to gain insights into leadership capabilities necessary for facilitating and fostering innovative culture in organisations. The research question for this research is therefore:

What leadership capabilities facilitate an innovative culture?

It is anticipated that the answer to this question will identify leader capabilities that develop and infuse a sustainable innovative culture that could outlive a leader's tenure in an organisation. Further to this, is the anticipation of the understanding of what it takes for a leader to engender a culture of innovation.

Given that innovation happens within a social context and it is influenced by the interactions in that context (Shazi, Gillespie, & Steen, 2015), the study also aims to gain an understanding of the organisational capabilities necessary for corporate innovation and how employees as corporate social agents are pulled together for innovation. This is explored by attempting to respond to the question of how do leaders build innovative capabilities for continuous innovation in organisations?

#### **1.4 Rationale for the research**

Erez and Gati (2004) note that culturally diverse environments benefitted creativity and innovation. However, while South Africa is a socially and culturally diverse country, it has performed dismally in this area (Ezell et al., 2016) whereas leaders cited as having led innovative companies come from environments which were less diverse than South Africa. According to Grabner, Posch and Wabnegg (2016), having innovation capability does not necessarily translate into innovation outcomes. This highlights the need to gain insights of how leaders who in innovative companies infuse innovation in those organisations.

Very few studies have explored the subject of innovation in socially and culturally diverse contexts such as South Africa. Such an approach would contribute to the existing body of knowledge on the role of leaders in facilitating innovative cultures. This is of interest to organisations that would like to develop innovative leaders.

#### **1.5 Benefits of the research**

The understanding of the antecedents for innovative behaviour will contribute to the body of knowledge on leadership capabilities for developing innovative cultures in organisations, a knowledge area that could benefit from further investigation (Lai & Lundgren, 2017; Uhl-Bien & Arena, 2018). Understanding how leaders can facilitate innovation will assist

organisations in making decisions around leadership recruitment and development decisions, as well as empowering and enabling decision makers to make recruitment and appointment decisions to ensure that innovation capabilities exist in their organisations.

## **1.6 Scope of the research**

The research does not aim to analyse distinctive types of innovation but rather focuses on innovation as a process of creating or refining, implementing and commercialising new ideas (Fay, Shipton, West, & Patterson, 2015; Rasmussen & Hall, 2016) that unfolds at different phases. The types of innovation are only explored within the context of the leadership capabilities and innovation culture where differences are observed. The study attempts to bring insights on how innovation as a discipline can be embedded in organisations for adaptability.

Equally, the research is not aimed at a detailed analysis of leadership as a concept but rather as it relates to the capabilities used by leaders in developing and fostering innovation for innovative performance in organisations. Therefore, different leadership styles are examined from a perspective of drawing on the lessons and attributes that can be applied to engendering a culture of innovation. This study thus aims to uncover lessons on how leaders build organisational capabilities that drive innovation in South African businesses.

## **1.7 Research report structure**

To develop the understanding of the role played by leaders in facilitating innovative culture, the rest of the document is structured as follows:

**Chapter 2:** Literature review presents the extant theoretical arguments and basis for the research problem

**Chapter 3:** Research question details the questions that will assist in answering the research question in getting to the root of the research problem

**Chapter 4:** Research methodology details and explains the methodology chosen for the research, the research instrument, sampling and how quality will be maintained to ensure validity and reliability of the study

**Chapter 5:** Results details the findings of the research through an analysis of the data collected

**Chapter 6:** Discussion of results presents an evaluation of the research findings against the research questions and the literature

**Chapter 7:** Conclusion and recommendations will highlight the principal findings of the study, limitations as well as future research opportunities

## CHAPTER 2: Literature review

### 2.1 Introduction

According to Boote and Beile (2005) literature review should set a comprehensive context of the study; position extant literature in relation to the current study; establish a framework for evaluation of the study; and clearly define what is covered in the study. The goal in planning for this literature review was to identify insights in the existing body of knowledge around the constructs of innovation, leadership, leadership capabilities and innovative culture and position the present study on the ongoing discussion of the topic.

Found and Harvey (2007) concluded that leadership is a “property of the relationship between leaders and followers” (p.41), a view supported by Martin, Epitropaki, Erdogan and Thomas (2019) when asserting that “one indisputable fact is that leadership involves at least two people (one who ‘leads’ and another who, to some extent, is ‘led’) and that these people are in a relationship” (p.465). Boal and Hooijberg (2000) posit that the nature of strategic leadership, which is concerned with the managing of the organisation, is not limited to positional authority. They assert that strategic leadership is situated to transform the organisational objectives and the capabilities necessary to adapt. It is perhaps this understanding that is key in examining how strategic leadership is used to engender a culture of innovation. Leadership in the context of this study is therefore examined as a relationship construct between leaders and followers. The relationship however is not limited to individuals but is viewed to also institutions.

Hinson and Osborne (2014), highlighted that organisations need to fit in and be attuned to the environment as a requirement for identifying emerging changes that can be exploited for innovation. According to Christensen, Hall, Dillon and Duncan (2016), even though executives acknowledge the importance of innovation as a strategic driver for growth, there remains a significant indication of dissatisfaction of the level of organisational innovation, while Lai and Lundgren (2017) posit that despite the importance of innovation being widely known and accepted as a strategic lever for competitive advantage, it is not easy to promote, manage and commercialise in most organisations. According to Lukoschek, Gerlach, Stock and Xin (2018) despite prior research citing common leadership behaviours that drive innovation, there is small to moderate correlations of leadership constructs to innovation, thus highlighting the need for refinement of understanding of leadership in innovation.



Fay, Shipton, West and Patterson (2015) suggests that teamwork and diversity in the team are critical for enhancing innovation in organisations and Khalili (2017) postulates that one way for organisations to survive is to capitalise on individual innovation and creativity. If the claims by Christensen and colleagues are true, it calls into account the need to gain insights into the capabilities employed by leaders to facilitate a culture where innovation can thrive.

## **2.2 Innovation**

Nambisan, Lyytinen, Majchrzak and Song (2017) argue that the view of innovation as well-bounded phenomenon does not hold given that the “boundaries of what is or is not innovation outcome have become more porous and fluid” (p.225). Fay et al. (2015) define innovation as “the development (or the adaptation) and implementation of an idea, which is useful and new to the organisation at the time of adoption” (p.262). Underdahl (2016) define it as the “intersection of invention and insight, creating social and economic value” (p.70). Fontana and Musa (2017) on the other hand view innovation as a three-phased process that entails generation of ideas through the synthesising of information to identify gaps, selection of ideas through the refinement process against the organisational strategic intent and portfolio management fit as well as idea diffusion as the delivering of value to the customer in the market. Rosing, Frese and Bausch (2011) see innovation as a social process given that the idea has to be sold internally to different stakeholders for buy-in and support as well as externally to the market. What is evident in the differing views of what innovation is, is that it has characteristics of novelty and adds value (Fay et al., 2015; Underdahl, 2016), and that it takes place at different levels of the business (Fontana & Musa, 2017; Rosing et al., 2011).

According to Nadim and Singh (2019) an organisation as a social system needs to be adaptive to its changing environment and employees as key stakeholders in the system cannot be left behind if sustainable innovation is to be attained. This perspective is taken further by Nambisan et al. (2017) who suggest that innovation processes happen at different points in and outside the organisation, involves a multiplicity of stakeholders and are refined by the context within which they occur as well as the changes where they occur. Much of the literature on innovation seems to have focused on what it means to innovate

but remain less emphatic on how the many parts of innovation ought to be managed to realise the suggested benefits.

In attempting to shed light on the management of innovation, Hinson and Osborne (2014) suggest that managing for innovation entails creating a climate that will enable emergent ideas to be leveraged and implemented for the company's competitive advantage. This suggests a form of a system. Looking at innovation from a systemic perspective, Van Lancker, Mondelaers, Wauters and Van Huylbroeck (2016) define innovation as "(i) a complex of diverse innovation actors (ii) that work in collaboration (iii) on the generation, development and utilization of innovation, (iv) shaped by a number of institutions" (p.41).

Deducing from the literature, innovation is a complex and multi-dimensional concept (Nambisan et al., 2017) which requires the management of many parts to maintain and sustain the bigger picture (Underdahl, 2016). However, what has not been sufficiently examined is how to create an environment wherein innovation can take place throughout the organisation, particularly given the criticality of innovation as a key strategic lever for growth and sustainability.

### **2.2.1 Innovation and creativity**

Jaiswal & Dhar (2015) suggested that creativity, which is defined by Roskes (2015, p.198) as "the generation of new and useful ideas", is important as a trigger for innovation. Recognising the importance of creativity in innovation, yet advocating for examination that extends beyond ideas, Hakkarainen and Talonen (2014) suggested that companies are challenged not by a lack of ideas but rather by their ability to balance innovation portfolios for better outcomes. Khalili (2017) highlighted that despite creativity being seen as a trigger for innovation, the innovation process is complex and does not follow a linear path, this perspective is taken further by Kwan, Leung and Liou (2018) who indicated that creativity as a foundational component of innovation is culture bound as different people will have differing views of what is creative or not. The challenges highlighted by literature are reflective of the missing leadership capabilities necessary to facilitate innovation.

Khalili (2017) argued that despite understanding the critical role of leadership in triggering creativity and innovation, the challenge that has not been fully examined in innovation is the leadership behaviours that advance it, while Fagerberg (2018) expanded that what is new when it comes to innovation processes is not its constituent parts but rather how they

are mobilised to create value. Perhaps these views from literature point to a gap of the role that leadership has to play in facilitating innovation that is worthy of further investigation

### **2.3 Corporate culture**

According to Cummings and Worley (2015) culture is one of the key organisational design elements that need to be understood and aligned with for an organisation's effectiveness in developing and implementing strategy, while Kwan et al. (2018) posit that innovation being a social process, would be influenced by culture. Therefore, understanding the influence of culture on innovation has relevance for this study given the need to understand how leaders' capabilities that facilitate a culture of innovation interact with the corporate culture in the context of innovation.

Unger, Rank and Gemünden (2015) referred to corporate culture as the shared assumptions, values and ways of doing things that have been developed and accepted as a part of the organisation's identity and are imparted to new members as part of the socialisation process, and Al Saifi (2015) highlighted that organisations that are conscious of their cultures are better positioned to make informed decisions about the type of culture they would like to foster as well as the necessary activities to facilitate it. Reflecting on understanding culture as a pivotal element in organisational operations, Al Saifi (2015) suggested that an organisational culture analysis should be considered through an understanding of the multi levels of "artefacts", "espoused beliefs and values" as well as the "basic underlying assumptions" (p.166).

Dodge, Dwyer, Witzeman, Neylon and Taylor, (2017) posit that even though culture has shown to be responsible for between 20 to 50 percent performance differential in companies, few studies exist on the leadership behaviours that improve innovation in organisations. The insights from literature highlight the important role that culture plays in defining context (Kwan et al., 2018) and thus suggest that this study can benefit from understanding culture within the context of exploring leadership capabilities that engender a culture of innovation.

### **2.3.1 Corporate innovation culture**

According to Lukoschek et al. (2018) understanding the antecedents for a leader's ability to foster innovation is significant for advancing academic understanding of the leadership capabilities that facilitate innovative culture. Therefore, central to understanding the leadership capabilities that facilitate a culture of innovation is understanding innovative corporate culture. Prasad and Junni (2016) postulate that organisational innovation is concerned with three key elements namely; (i) structure which relates to how an organisation is organised to facilitate innovation, (ii) the process element that is aimed at understanding the identification and transformation of ideas for innovation outcomes and (iii) the organisational change perspective which is about how an organisation manages change and the management practices that enable innovation to thrive. Norbom and Lopez (2016) define innovative organisational culture as "an adhocracy culture, which is characterized by entrepreneurship, external focus, flexibility, innovation, creativity, and adaptability" (p.19). Jaiswal and Dhar (2015) on the other hand posit that an organisation's innovation climate is the set of perceptions employees have about their work environment as it relates to attitudes towards risk, resource accessibility and availability as well as the intellectual stimulation that encourages creative problem solving. Khalili (2016) contributed to the notion that views innovation climate as the shared values employees have of the typical behaviours recognised, expected and encouraged in an organisational innovation context.

Literature suggest that teamwork and diversity in the team are critical for enhancing innovation in organisations (Fay et al., 2015). However , Edmondson and Harvey (2018) argued that knowledge diversity had produced ambiguous results in terms of its influence on innovation, and suggesting precision in defining the construct.

Shazi et al. (2015) established that trustworthiness was deemed higher when it comes to network connections in large companies that focus on radical innovation compared to smaller firms that focus on incremental innovation, while Rekonen and Björklund (2016) found that even though an open and trustful environment was recognised as important, it was less valued compared to clear roles, set objectives and task coordination in a study of graduate level project managers.

In a study examining the effects of different power bases on innovative culture, Norbom and Lopez (2016) found that informal bases of power of expert, connection and referent

power correlated with an innovative culture, whereas the formal power bases of legitimate and coercive power displayed no correlation with innovative culture. On the other hand, Dodge et al. (2017) who in the study of the evaluation of leadership attributes on innovation, found that organisational encouragement as an attribute was highly significant in low control and high leader support organisations, and work group support was found to be significant across the different organisational dimensions even though it was less effective compared to organisational encouragement and challenging work. Organisational encouragement was described as an organisational climate that fosters creativity through team work, reward and recognition as well as fair idea evaluation mechanisms (Dodge et al., 2017).

Jaiswal and Dhar (2015) in a study of employees and immediate supervisors in the hospitality sector, established that the level of effectiveness of the leader in attaining innovative outcomes within a supportive culture is influenced by employees' beliefs about their ability to deliver. Reflecting on the nature of and its impact on innovation, Dodge et al. (2017) established that challenging work was not only positively correlated to innovation, but was also significant to employee engagement and retention.

The differing positions from literature provides valuable lessons for shaping this study while at the same time perhaps highlight the contextual nature of innovation that is influenced by culture and the social interactions between organisational members (Kwan et al., 2018). It is against this understanding that a gap is identified in literature on what the antecedents of innovation are in a context of a leader with the capabilities to foster innovation.

### **2.3.2 Innovation capabilities**

According to Wang and Dass (2017), innovation capabilities are the organisation's ability to identify, adopt and create value through new ideas, processes and products. Saunila (2016) found innovation capability to be a contextual concept that is a subject of how organisations use their knowledge to transform and facilitate innovative culture for continuous improvement and competitive advantage. Kuratko, Hornsby and Hayton (2015) notes that "strategic thinkers have moved beyond the traditional product and service innovation to pioneering innovation in processes, value-chain, business models and all functions of management" (p.1). A key aspect of innovation capabilities seems to be a higher-level construct (Kuratko et al., 2015) that leverages on the organisational knowledge base to create value and inculcate a culture of continuous innovation (Saunila,

2016; Wang & Dass, 2017), which is relevant to understanding the capabilities necessary for its development.

According to Schoemaker et al. (2018), three primary pillars of dynamic capabilities as the organisation's ability to detect changes in their operating environment and having an understanding of the implications of that change to the business, leveraging opportunities that emerge as a result of the change as well as the continuous learning and unlearning of the organisation to maintain agility, while Forés and Camisón (2016) indicate that the benefits of dynamic capabilities depends on how the organisation acquires knowledge as well as the transformation processes adopted for utility in both the internal and external knowledge they have. Ganguly, Talukdar and Chatterjee (2019) on the other hand suggest that organisations with strong knowledge management capabilities that enable both the maintenance of quality knowledge and the sharing of tacit knowledge improve innovation.

Hakkarainen and Talonen (2014) empirically found that a positive relationship exists between innovation performance and a culture of absorptive knowledge and Lin, Su and Higgins (2016) expanded on this perspective by establishing that relational capabilities facilitated absorptive capabilities and integrative capabilities. Saunila (2016) established that performance measurement that is dynamic and responsive to the complex nature of innovation can be used as a strategic tool to develop innovation capability and enhance an organisation's innovation performance in small and medium enterprises. However, a different study on manufacturing companies found that innovation performance was a subject of an interaction of innovation capacity with the management control practice of value communication and that control practices of monitoring behaviour and performance were found to constrain innovation (Grabner et al., 2018). Understanding the construct of performance measurement and its impact on innovation is vitally important in understanding the levers that leaders have at their disposal to infuse innovation. However, the inconsistencies in literature on the subject perhaps point to the influence of context on innovation that could benefit from further examination and importantly relevant for this study.

Chen (2014) established that innovation stimulants did not have an impact on project performance except through innovation capacity, revealing that innovation capacity has a moderating effect between innovation stimulants and innovation performance. Grabner et al. (2018) posit that for an organisation to optimally exploit the benefits of innovation

capabilities, a supportive organisational environment which is aligned with other organisational elements ought to exist.

Inferring from the insights on innovative capabilities is that leaders who are able to create an environment where knowledge can be accumulated, processed and used for value (Ganguly et al., 2019), develop a supportive environment for innovation and the development of quality relations (Grabner et al., 2018) should be able to foster innovation.

**2.3.3 Innovation capabilities determinants**

Le and Lei (2019) posit that attempts by many organisations to be innovative have not been as effective and suggest that the need to identify strategic elements that promoted innovation was significant and necessary to assist organisations to pivot their innovation efforts. According to Saunila (2016) a vision and strategy that is innovation oriented coupled with the allocation of resources pursuant to the innovative objectives are enablers to innovation and Wang and Dass (2017) contributed to this view by establishing that top management’s innovativeness can be transferred to be part of an organisation’s innovation capability only to the extent that there is strategic commitment to focus on innovation in an organisation. In essence literature suggest that it is not sufficient to have the factors that trigger innovation, but rather that for innovation to be effective, it has to be weaved into the operations and management processes of the organisation by developing organisational capabilities and that leadership has a pivotal role to in facilitating that culture.

Divergent views on the determinants of innovative culture have been suggested by scholars (Le & Lei, 2019; Saunila, 2016; Tai & Mai, 2016), table 1 below has been adopted to present a summary of the identified determinants of innovation with a description of each element within the context of this study.

Table 1: Innovative capability determinants

<b>Innovation determinants</b>	<b>Description</b>	<b>Reference</b>
Leadership culture	Refers to leadership behaviours and characteristics when interacting with followers to promote innovation	(Le & Lei, 2019; Saunila, 2016)

Follower intrinsic motivation	Relates to the follower's proactive motivation to be innovative	(Saunila, 2016; Tai & Mai, 2016)
Knowledge management	Refers to an organisation's knowledge development processes, management and knowledge sharing capabilities. It also relates to the integration of external knowledge into the internal processes	(Bednall, Rafferty, Shipton, Sanders, & Jackson, 2018; Le & Lei, 2019; Saunila, 2016)
Organisation structuring	Relates to the structures, systems and processes that enable innovation	(Saunila, 2016)
Managing paradoxes	Refers to an organisation's ability to manage the many tensions that are related to the complexity of innovation	(Arena & Uhl-Bien, 2016; Enninga & van der Lugt, 2016; Kao & Dacko, 2016; Zacher & Rosing, 2015)
Innovation supporting environment	Relates to the work climate that is receptive and responsive to innovation with deliberate efforts put in place to support innovation	(Bel, 2010; H. L. Chen, 2014; Saunila, 2016; Tai & Mai, 2016; Zacher & Rosing, 2015)

## 2.4 Leadership

Leadership has been a subject of many academic and management studies for decades because of its importance in social, economic, political and organisational settings, and as economic and social changes occur, the demand for different leadership characteristics is heightened (Uhl-Bien & Arena, 2018). Shafique and Beh (2017) argue that there is no individual leadership style that can be deemed effective for each task, but rather that great leaders are those that are able to adapt their leadership style according to the needs of the situation as it presents itself. Ritter and Ruggero (2017) contribute to the argument by stating that whilst the fundamental characteristics of leadership will remain going into the future, effective leaders will be those who are able to innovate their capabilities to respond to the changing business needs.

According to Zacher and Rosing (2015) studies have suggested leadership as a requirement for innovation, yet there remains paucity around which leadership behaviours engender innovation. Lukoschek et al. (2018) expands on this perspective by highlighting that studies on innovation have made innovativeness a focal point with little emphasis on the leadership capabilities necessary to foster it. Biemans (2018) suggests that "the



problem of deficient competitive advantage really originates as a ‘management of innovation’ problem” (p.2) rather than a technological innovation, while Lin et al. (2016) suggest that a management breakthrough in innovation has potential to deliver a “potent advantage to the innovating company and produce a seismic shift in industry leadership, while technology and product innovation, by comparison, tend to deliver small-caliber advantages” (p.1).

Bel (2010) highlighted that a good innovation leader is someone who is able to excel in managing creativity and discipline and Enninga and van der Lugt (2016) hold that leading innovation means simultaneously doing the right things and doing things right. Zacher and Rosing (2015) highlight that complementary leadership styles should be more effective than a single one through the study of ambidextrous leadership that found that team innovation was high when an optimal balance of opening and closing behaviours was attained. Schoemaker et al. (2018) argued that entrepreneurial leadership capabilities from top management team is pivotal in building organisational dynamic capabilities that will enable innovation.

Leadership as a key attribute to organisational functioning and in particular leading innovation (Khalili, 2017) is central to understanding the key requirements for innovation capabilities to be developed. It is within this context and the ambiguities in literature that this study aims to explore the capabilities engendering innovation in South Africa.

#### **2.4.1 Leadership styles**

According to Xie et al. (2018) a leader’s leadership style is one of the key determinants for creating a climate for innovation. Extant literature exists on different leadership styles and its effect on innovation, with Li, Mitchell and Boyle (2016) in their study of transformational leadership effect on individual and team innovation highlighting that the characteristics leaders use to engender team innovation may negatively affect innovation on an individual level, given the differing motivators that are effective at individual and team level, and thus caution of the need to understand the utility of the different dimensions of transformational leadership in fostering both individual and team innovation. They argue that the individual level motivation of challenging the status quo may be in conflict within the group level, where team members are required to have a collective commitment that may be influenced by a unique team identity (Li et al., 2016). Ye, Wang and Guo (2019) argue that

transformational leadership creates a dependence on the leader in teams and as such may limit innovation.

In a study of transactional and transformational leadership in projects, Tyssen, Wald and Spieth (2014) established that the nature of projects of limited duration suggested that transactional leadership is more effective, however during times of uncertainties, project managers had to adapt to transformational leadership attributes to overcome uncertainty. Hansen and Pihl-Thingvad (2019) posit that verbal rewards as a tool for effecting transactional leadership is effective in facilitating innovation in followers, while Berraies and Zine El Abidine (2019) suggested that transformational leaders ought to consider contingent reward as a complement in facilitating innovation and innovative behaviour. Tyssen et al. (2014) concluded that even though the nature of projects given the limited duration and clear milestones aptly demands transactional leadership, project managers could benefit from exercising transformational leadership during times of uncertainty for projects.

In a multi-actor study in the USA and a longitudinal employee-level study in the Netherlands, Bednall et al. (2018) discovered that regular knowledge sharing within teams and with other external parties presented a strong association with transformational leadership and innovative behaviour. According to Xie et al. (2018) trust facilitates innovation and that transformational leaders are found to be effective in building trust in organisation, given the transformational leadership trait of building individual self-belief and value.

Norris (2018) posits that in uncertainty and dynamic times, the notion of strategic decisions being left to the elite top management is ineffective and proposes that shared strategic leadership that taps on leadership capabilities of individuals in the organisation is necessary for collaboration and organisational learning. According to Pitelis and Wagner (2019) shared strategic leadership enables the transferring of individual capabilities often left to the top management or strategic leadership, to teams and that team interactions allows for the embedding of the capabilities into organisational capabilities.

Zacher and Rosing (2015) argues for complimentary leadership styles for innovation by suggesting that the complexity of innovation is such that optimal realisation of innovative behaviour can only be achieved by exercising both open behaviours associated with transformational leadership and closing behaviours associated with transactional

leadership in accordance to the contextual demands, a view supported by Berraies and Zine El Abidine (2019) in their study of leadership styles influence on ambidextrous innovation empirically established that only three of the transformational leadership attributes of “individualised consideration”, “intellectual stimulation” and “inspirational motivation” were positively associated with exploratory innovation, whereas “idealised influence” (p.849) similar to the attributes of transactional leadership were positively associated with exploitative innovation and thus a combination of leadership style facilitates innovation ambidexterity.

According to Kuratko et al. (2015), corporate entrepreneurship underlies different types of innovation and that organisations that promote corporate entrepreneurship show agility in identifying and responding to emerging opportunities and Engelen, Gupta, Strenger and Brettel (2015) argue that an organisation’s entrepreneurial orientation channels the deliberate focus on management practices that enable the exploitation of new opportunities and thus innovation.

The insights from literature essentially suggest that perhaps in attempting to understand leadership capabilities for innovation, the focus should shift from the generic leadership styles to understanding the leadership capabilities that enable innovation so that comprehensive leadership models specifically for innovation can be developed. Despite the conflicting views on leadership and the behaviours or styles necessary for innovation, common themes emerge from literature that provide value in understanding the leadership capabilities in this study. Table 2 below summarises the leadership style dimensions identified as enabling innovation in literature.

Table 2: Mapping leadership capabilities to leadership styles

<b>Innovative leadership capability dimension</b>	<b>Leadership style</b>	<b>Reference</b>
<b>Setting a clear vision</b>	Transformational leadership	(Bednall et al., 2018)
	Strategic leadership	(Norris, 2018; Pitelis, & Wagner, 2019)
<b>Knowledge management</b>	Ambidextrous leadership	(Berraies, & Zine El Abidine, 2019)
	Transformational leadership	(Hansen & Pihl-Thingvad, 2019)
	Innovation leadership	(Caridi-Zahavi, Carmeli, & Arazy, 2016)
<b>Follower motivation and inspiration</b>	Transformational leadership	(Berraies, & Zine El Abidine, 2019)
<b>Contingent reward</b>	Transactional leadership	(Berraies & Zine El Abidine, 2019; Tyssen et al., 2014)
<b>Collaboration</b>	Strategic leadership	(Norris, 2018)
<b>Multi-skilling</b>	Entrepreneurial leadership	(Fontana & Musa, 2017)
<b>Managing paradoxes</b>	Ambidextrous leadership	(Berraies, & Zine El Abidine, 2019)
<b>Shared leadership</b>	Strategic leadership	(Norris, 2018; Pitelis, & Wagner, 2019)

#### 2.4.2 Leadership capabilities

A meta-analysis review on senior management's involvement in new product development by Felekoglu and Moultrie (2014) highlighted that the varying empirical findings suggest a gap in understanding the top management effect on new product development as an object of innovation. Lukoschek et al. (2018) on the other hand argue that the challenge with the understanding of the leadership capabilities that enable innovation is the failure to distinguish between the two key phases of innovation that entail idea generation and idea implementation, which they argue has distinct characteristics requiring tailored capabilities to successfully address, while Hill, Brandeau, Truelove and Lineback (2014) posit that leadership that asserts a clear vision of the future as well as the inspiration of the followers

to buy into it, is only effective when the future is known and clear, but may not work well when the future is unknown.

Reflecting on the untapped potential of people as a factor in innovation, Sull, Homkes and Sull (2015) posit the top-down approach to strategy not only undermines strategy execution by failing to leverage on the many decision making contact points that exist in an organisation for quick response but also places an over reliance on the heroic leader that may not be sustained beyond the leader's departure. Chen (2014) on the other hand posited that to create innovative projects, leaders must create environments that enable distributed leadership, communication that fosters teamwork and encouraging a culture for innovation, thereby adding to the literature on the value of building the right culture for innovation to permeate. While according to Ahmed, Shah, Qureshi, Shah and Khuwaja (2018), organisations can only realise the cost effectiveness of innovation to the extent that they are able to tap into the potential of their internal human resources for leveraging the many opportunities they encounter in their daily activities.

Adding to the literature around recognising the value of the human capital in innovation, Norbom and Lopez (2016) established that a culture of innovation was associated with an environment where informal bases of power were used and hierarchical structures were not seen as an inhibitor. A perspective expanded on by Uhl-Bien and Arena (2018) who argued that organisations need ambidextrous leadership to be pervasive throughout the organisation. According to Berraies and Zine El Abidine (2019) transformational leaders facilitated innovation by inspiring confidence in the followers, encouraging risk-taking and questioning the way of doing things whilst finding alternative and differing ways to solving existing problems and allows for a meaningful relationship to exist between leader and follower based on the trust created.

Hill et al. (2014) contributed to the body of knowledge by highlighting that to tap into an organisation's human resources requires leadership that moves away from seeing themselves as smart visionaries to recognising the collaborative intelligence across the organisation. Caridi-Zahavi, Carmeli and Arazy (2016) expands this perspective by asserting that visionary innovation leadership is effective to the extent that it is used to develop quality relationships that enable the diffusion of knowledge for value creation in the organisation. Edmondson and Harvey (2018) through an analysis of prior studies conducted on knowledge diversity highlighted that individuals in teams do not readily share

unique knowledge they possess but that when there is deliberate leadership effort that encourages debate and collective transformation of the knowledge, trust is built and differing views yield positive team performance. Highlighting that knowledge as a component of innovation that should be expanded beyond just sharing, Caridi-Zahavi et al. (2016) found that leaders who were able to build capabilities that enable knowledge integration in the organisation could enhance organisation innovation performance.

Wang and Dass (2017) argued that the level of an organisation's top management innovativeness enables strategic adoption of innovation as well as the allocation of resources to innovation oriented activities and thus facilitate innovation in their organisations. Agarwal, Brown, Green, Randhawa and Tan (2014) also noted that companies better managed by the adoption of best management practices are better positioned to allocate resources in ways that would enable the exploitation of innovation opportunities in dynamic situations. Although Roskes (2015) argued that different motivations will likely yield different outcomes depending on whether the people being dealt with are driven by avoidance to failure or the desire to succeed, and Tsai (2018) highlighted that in knowledge intensive contexts, a supportive organisational climate was viewed as more important than perceived compensation equity in fostering innovative behaviour.

The insights from Anand, Walsh and Moffett (2019) that perceived humility enhances the commitment to knowledge sharing activities, have relevance to this study in understanding how knowledge sharing capabilities are developed. Contributing a varied perspective on knowledge creation for innovation outcomes, Miron-Spektor and Beenen (2015) empirically established that learning as knowledge accumulation process has to be experienced concurrently with performance goal achievement. They argue that too much cognitive flexibility may be counterproductive with the production of new ideas that may not be useful and equally that performance orientation may contribute to usefulness but limiting to novelty (Miron-Spektor & Beenen, 2015).

Expanding on the non-linear nature of innovation processes Hill et al. (2014) posit leading for innovation means strategically shifting between many paradoxes by both building a sense of community driven by a common purpose, shared values and regulated by

engagement rules that enable collaboration as well as building the capability to innovate through allowing for rigorous debates of ideas, failing and learning quickly by experimentation and collective decision making that is integrative of different ideas. This they argue can be done strategically by creating an environment that allows for ideas to be birthed from the bottom, while intervening from the top when it is necessary (Hill et al., 2014). The insights from Miron-Spektor and Beenen (2015) suggest that leaders have to create an environment that will encourage autonomy in decision-making when it comes to deciding on the optimal balance for learning and performance in dynamic operating environments and Uhl-Bien and Arena (2018) assert that a leader's role in innovation is to create an environment supportive of risk-taking, collaboration and multi-tasking.

According to Edmondson and Harvey (2018) the growing complexity of business has heightened the need for cross-boundary teams in the workplace and that leadership that is deliberate in their drive for inclusion is necessary to exploit value, creativity and innovation brought by diverse views, expertise and knowledge. This view is related to the collective genius view of (Hill et al., 2014) who postulated that organisations that have leaders who are able to create an environment that enables others to be innovative can be effective at building sustainable organisational innovativeness.

In a study examining the effects of different power bases on innovative culture, Norbom and Lopez (2016) found that informal bases of power of expert, connection and referent power correlated with an innovative culture, whereas the formal power bases of legitimate and coercive power displayed no correlation with innovative culture. Contributing to the discussion is Dodge et al. (2017) who in the study of the evaluation of leadership attributes on innovation, found that organisational encouragement as an attribute was highly significant in low control and high leader support organisations, and work group support was found to be significant across the different organisational dimensions even though it was less effective compared to organisational encouragement and work group support, whereas challenging work was positively correlated to innovation in all organisational dimensions.

Drawing from the insights of scholars on leadership capabilities, it is evident a multi-pronged view on innovation enabling capabilities is necessary to gain insights into what it

takes for leaders to develop innovation. This prior work in literature provides valuable insights from which this study can draw from in understanding the types of leadership capabilities that foster innovation in organisation. Further the divergent findings emerging from the studies substantiate the contextual examination of leadership capabilities that facilitate innovation.

Drawing from scholarly findings of the importance of innovation for organisations (Lai & Lundgren, 2017) and the innovation capabilities necessary to drive it (Wang & Dass, 2017) underpinned by the understanding of the important role leaders have to play in fostering innovation (Uhl-Bien & Arena, 2018), raises a key concern of what capabilities are required for leaders to foster and engender a culture of innovation.

## **2.5 Conclusion**

According to Van Lancker et al. (2016) and Nambisan et al. (2017), innovation models that are based on the notion of clearly defined boundaries and a finite set of factors are limiting in terms of understanding the challenge of innovation in a dynamic and unpredictable business environment. The varying effects of the different types of leadership on innovation is seemingly an indication of the complexity of innovation as a construct and that perhaps the notion that it can be neatly categorised and coupled with a particular leadership style is limiting to the understanding of the concept. Nambisan et al. (2017) theorise that innovation is a continuously iterative process of defining and refining of innovation outcomes and processes as influenced by the contextual environment it is taking place. Research maintains the role and importance of leadership in driving innovation in organisations. However, what has not been adequately examined is given the gap between the recognition of the need for innovation and the actual level of innovation in businesses, is how do leaders facilitate cultures of innovation for sustained innovation.

Scholars agree that innovation and the management of innovation processes are complex and that leadership has a pivotal role in pivoting innovation in organisations (Khalili, 2017). Extant literature provides evidence of the importance and role of leadership in innovation (Hill et al., 2014), however, there remains ambiguity in how innovation is facilitated by leaders in organisations. The ambiguity around which leadership practices or attributes are important or the contextual understanding highlights a gap in literature that is worthy of further examination to gain better understanding and forms the basis for this study.



This chapter explored extant literature on the topic under discussion and identified the gaps in the body of knowledge that informed the research questions to be examined further in advancing the theoretical understanding of the capabilities of leaders who are able to engender a culture of innovation in organisations. The next chapter details the questions that will be examined to enable answering the research question and getting to the root of the research problem.

## CHAPTER 3: Research questions

Building on the body of knowledge emerging from the literature reviewed in Chapter 2, this research aims to establish the leadership capabilities that facilitate innovative cultures in organisation. The reviewed literature identified areas warranting further research including the ambiguities on the resources that leaders have at their disposal to facilitate and develop cultures of innovative performance. A pertinent question that emerged was therefore as follows:

What leadership capabilities facilitate an innovative culture in South African organisations? The answer to this overarching research question was contingent on answers to the following support research questions:

### **3.1 Research question 1**

What leadership activities enable innovative culture in an organisation?

This question was intended to uncover insights on what leadership capabilities were important for promoting innovative performance in developing cultures. The value in gaining such insights was to assist managers and leaders to develop capabilities that enable innovation and weave it into the cultures of their organisations.

### **3.2 Research question 2**

What are the antecedents of innovative culture?

This question was intended to gain an understanding of the requirements and/or limitations that may exist in building an innovative culture. The value in answering this question was in understanding the extent to which good leadership may be limited, as well as the supporting climate necessary for leadership capabilities to be effective.

### **3.3 Research question 3**

How do leaders build innovative capabilities for continuous innovation in organisations?

This question was intended to uncover insights on strategies leaders could assist in building organisational capabilities that ensured the sustainability of the culture of innovation that survived the leader's tenure in an organisation.

### **3.4 Conclusion**

The identified research questions have been identified with the forethought that they will aid in uncovering insights on the leadership capabilities that facilitate innovation culture. This chapter highlighted the research questions to be examined in advancing the understanding of the leadership capabilities that facilitate a culture of innovation. The next chapter details and explains the research methodology chosen for the study, the data collection, sampling and data analysis techniques as well as how quality will be maintained to ensure validity and reliability of the study

## CHAPTER 4: Research methodology

### 4.1 Introduction

Literature suggest that a chosen methodology is a primary factor in evaluating the quality of the research Saunders and Lewis (2018). This chapter details the considered options adopted to systematically respond to the research question and address the research objectives in line with the requirements for quality in academic research. The researcher further illustrated how credibility of the study will be maintained for quality and validity.

### 4.2 Choice of methodology

#### 4.2.1 Philosophy

An interpretivist approach was followed as the aim of the study was to capture the richness and complexity of the defined constructs through examining the lived experiences of the respondents. According to Edwards and Holland (2013) knowledge in an interpretivist approach takes cognisance of the value of the meanings that others attach to their day-to-day life and social interactions. Saunders, Lewis and Thornhill (2012) also assert that interpretivism research philosophy is appropriate in studying humans as social actors in a particular context. This approach was deemed appropriate for this research as it enabled the researcher to establish the experiences of the respondents from their individual perspectives and lived experiences as well as to gain insights in how they interpreted their worlds within the framework of innovation and leadership.

#### 4.2.2 Approach

A ground up inductive logic (Creswell, 2007; Saunders & Lewis, 2018) was adopted as theory was built using codes, categories, themes and patterns from collected data. Saunders et al. (2012) posit that inductive research is concerned with the context within which events are occurring and also allows for researcher reflexivity that enabled the changing and reframing as new insights are discovered. Given that this study sought to understand the meanings attached by the respondents given their experiential knowledge in their work environment, the inductive approach was best suited for the research. Theory was developed from the collected data as opposed to testing theory as in deductive reasoning.

### **4.2.3 Methodological choices**

According to Saunders and Lewis (2018) a multi-method qualitative study entails a combination of data collection strategies and analysis techniques. A multi-method qualitative approach was adopted for this research, which included an analysis of both interview data and field notes.

### **4.2.4 Purpose of research design**

An exploratory study was deemed as the appropriate method to answer the research question. This was also a nascent research as leadership studies have focused primarily on performance-based outcomes rather than innovation-based ones (De Jong & Den Hartog, 2007). This approach enabled the researcher to gain deeper insights on the complexity of the constructs of organisational innovation and the role of leadership in facilitating an innovative culture. According to Saunders and Lewis (2018) exploratory research is about discovering new insights into a topic that may present new knowledge.

### **4.2.5 Strategy**

A narrative strategy was adopted for this study. Saunders and Lewis (2018) define a narrative as “a story; a personal account which interprets an event or sequence of events” (p.126). This strategy was deemed appropriate in line with the intention to gain an understanding of the views and perceptions of the interviewees, as it afforded them an opportunity to narrate personal accounts of their experiences and knowledge.

### **4.2.6 Time horizon**

This was a cross-sectional research as the data collected was based on the views and perceptions of the respondents at a particular period of time. Saunders & Lewis (2018) define a cross-sectional research as the examination of a phenomenon at a particular point in time. The investigation thus provided a snapshot of interview data collected over a short period of time. The approach was relevant given the objectives of the study.

### **4.3 Proposed research design**

#### **4.3.1 Population and Unit of Analysis**

According to Saunders et al. (2012) a research population is defined as “the full set of cases from which a sample is taken” (p.260). The population of the study was therefore identified as individuals who held senior management roles in innovative companies. Senior management in the context of this study was defined a position up to three levels below the Chief Executive Officer and included roles such as Chief Executive Officers (CEO), Senior Managers, Directors, Executive Managers and Management Consultants. A further requirement for participation was that the managers had to have been involved in the company’s innovation processes or had an understanding of those processes. This population was perceived to be in a position to have insights on what contributed to the development of an innovative culture in their organisations and the role played by leaders in creating it.

Respondents were expected to have people reporting to them due to the interest of the study on understanding factors that engage employees to achieve innovation outcomes and had knowledge of how the innovation processes unfold in the business. The respondents had to have been in the company long enough to have witnessed at least an execution of an innovation initiative. Such people were considered to be the most appropriate respondents because of their knowledge and experience gathered through involvement in the ideation and execution of innovative projects in organisations.

The deliberate heterogeneity of the population across industries, was based on the understanding that it would provide insights that may not be attributable to a homogenous group (Robinson, 2014). The participant’s lived experiences and exposures formed the depth shared in explaining the phenomena under study.

The unit of analysis was individuals. The objective was to access their shared views and perceptions around the role of leadership in fostering innovative culture in organisations.

#### **4.3.2 Sampling method and size**

According to Robinson (2014) sampling is a deliberate process of defining the inclusion and exclusion qualification criteria as well as the size of the sample. Malterud, Siersma and Guassora (2016) posit that sample size in qualitative studies should be informed by

information power and information relevant to the subject under investigation and that such power and relevance will justify the use of a small size and Robinson (2014) asserts that the requirement for rigour as one of the criterion for assessing research validity is not determined by the size of the sample but rather by the adequacy of the subjects to provide information enough for rich analysis. Palinkas, Horwitz, Green, Wisdom, Duan and Hoagwood (2015) expand on the perspective of the quality and richness of the data as a primary determinant of sample size in qualitative research. The sample size was therefore primarily informed by the level of domain knowledge and participants' understanding of innovation and leadership given their roles in their organisations.

Saunders et al. (2012) define purposive sampling as a subjective method primarily driven by the research question and objectives and Palinkas et al. (2015) refer to purposive sampling as a deliberate selection of participants that will contribute to depth of understanding of a phenomenon given their knowledge and experience for optimal use of limited resources. Given the research question and objectives, a non-probability purposive sampling technique was adopted having considered the knowledge and experience of the proposed respondents, which according to Roulston (2010), is important in evaluating the quality and credibility validity of a study.

In accordance with the guidelines from literature and the research objectives, a sample size of 12 participants was targeted, however 15 semi-structured interviews were conducted. An email request explaining the purpose of the study was sent out as an invitation to qualifying participants of the study. The interviews were scheduled for a minimum of 60 minutes, to allow for an in-depth discussion of the topic.

### **4.3.3 Data gathering process**

Saunders et al. (2012) suggested that semi-structured interviews in an exploratory study may be useful to understand what is happening as well as the context thereof. The choice for semi-structured face-to-face interviews was to allow the researcher to ground the interview on specific themes that related to the research questions for consistency with different respondents while at the same time allowing for flexibility and openness for the respondent to provide their views and understanding of the subject matter. An interview guide was used with key theme, which according to Kothari (2004) is necessary to maintain a level of realistic uniformity around the key points of the study. All interviews were

recorded using a digital voice recording device subject to participant consent to ensure accuracy, integrity as well as auditability of the data.

According to Edwards and Holland (2013), in a semi-structured interview, the interviewer is interested in the context and content of the interview. To capture the context of the interview, field notes to capture the tone and quality of the interview as well as the moods and emotions were kept and used as part of the data analysis. The interviews were conducted with participants from varied sectors of business to identify similar emerging patterns across sectors. Open ended questions centred around key themes of leadership capabilities, organisational innovation and innovation culture were used to probe respondents. Noble and Smith (2015) and Roulston (2010) suggest that determining how evidence is credible should be based on how the data was collected and examining the source of the data. The recording of the interview was also used to address the trustworthiness of the data given the transparency that the audio recording can afford verification that the researcher remained true to the respondents' account of events. Over and above the strategies highlighted above to enhance validity and reliability; triangulation and researcher bias demonstration were incorporated in the study.

#### **4.3.4 Analysis approach**

Data collected from respondents was analysed, presented and discussed in response to the research objectives and research questions of the study. An iterative approach was adopted, wherein analysis commenced before the finalisation of the interview process to allow for identification of initial insights and incorporate those as a mechanism for refining questions for further interviews. The analysis of data was also conducted iteratively. Given that the semi-structured interview process was chosen as a tool for data collection, a thematic analysis in response to the research questions was adopted as the approach for analysing the data. Saunders et al. (2012) suggest that the results should be in relation to the research question and the objectives of the study.

To this effect the thematic analysis was conducted against the research questions posed to the respondents, with themes developed per question. A phased approach was followed using the six phase approach to "thematic analysis" (Braun & Clarke, 2019, p. 60; Nowell, Norris, White, & Moules, 2017, p. 4) as detailed in table 3 below.



Table 3: Six phase thematic analysis

Phase	Actions performed
Familiarising yourself with the data	Data collected from the interviews was transcribed by the researcher into text. The transcripts were read through with the objective of data immersion to understand the contextual meaning of the data and a data reduction process was conducted to remove the irrelevant information. The transcripts were also formatted to ensure consistency when loading onto ATLAS.ti.
Generating initial codes	Meaning was attributed to units of data collected to bring structure that will enable the interpretation of unstructured data. The labelling of the data into codes was done in relation to its relevance to the research question and the context of the study. A code book was developed in this phase.
Searching for themes	The process followed in this phase entailed the grouping of similar or related codes into categories. Codes were rationalised after every three transcripts to group into categories and eliminate possible duplicates. This process also followed a reflexive approach of the continuous assessment of the relevance of the themes to the research question and the context of the study
Reviewing themes	Braun and Clarke (2019) suggest that the reviewing of themes takes a form of answering questions around the adequacy of the theme and the supporting data, clarity of the boundaries and potential overlaps. The themes that were initially defined were reviewed using that guideline and quality checked against the overall research question to ensure coherence and adequacy.
Defining and naming themes	This process was a deliberate process of defining the themes, building on the previous phase to ensure that themes are unique in meaning as well as in value. This process further reinforced clarity on what was a theme and why it worthy to be one. The description of the themes was also useful in developing meaning for a reader who was not familiar with the data.
Producing the report	Data display tools (Saunders et al., 2012) were used where relevant to present the data visually, either through matrices or network diagrams to build an image of the connections of the themes and associated categories.

Source (Braun & Clarke, 2019; Nowell et al., 2017)

#### **4.3.4.1 Transforming data from codes to themes**

An iterative approach was used to extract codes from the text as a process of developing meaning by following a process of identifying codes or summarising meaning, categorising codes by grouping similar codes and identifying themes and inductively developing theory from the identified themes (Saldaña, 2013; Saunders et al., 2012). Codes that were summaries of meanings extracted from the interview data were compiled. The researcher was aware that a few iterations had to be conducted in order to address overlaps and likely duplications in the initially established themed codes. Appendix 5 is the outcome of the thematic analysis exercise that was conducted.

#### **4.3.5 Reliability and validity**

According to Elo, Kääriäinen, Kanste, Pölkki, Utraiainen and Kyngäs (2014) the basic measure of credibility evaluation is the best collection method to answer the research questions. To ensure reliability and validity of the study, different strategies were adopted throughout the research process, with the measurement instrument that is aligned to the research questions being used to collect the data. Other strategies that were adopted with an objective of enhancing the validity and reliability of the study are discussed below:

##### **4.3.5.1 Data saturation**

In order to ensure reliability and validity, the researcher ensured consistency of application in terms of the determination of the codes, that these were exhaustive in terms of the data collected and that there was exclusivity between the codes as well as reaching coding saturation, where no new meaning could be identified from the data (Saldaña, 2016; Zikmund, Babin, Carr, & Griffin, 2013). Figure 1 below graphically displays how the coding saturation process unfolded with 96 codes of a total 137 being extracted from the first three transcripts, and the last five transcripts only yielding 6 new codes.

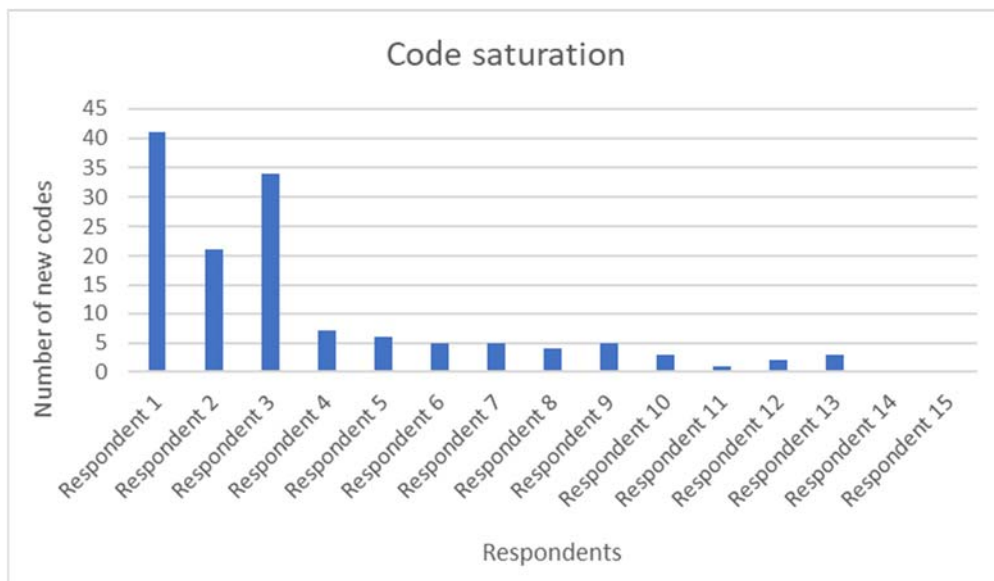


Figure 1: Data coding saturation

Categories were then developed by establishing a relationship between the codes. Saunders et al. (2012) suggest an up to date definition of the categories to maintain consistency in application. Equally, categories were refined as meaning was established from the data. In terms of research trustworthiness, consistency was maintained throughout the analysis process. Once the categories were established, themes were identified using understanding of existing literature, such that theory saturation was achieved. Saldaña (2013) distinguishes between semantic or explicit theme analysis and latent or interpretive theme analysis. The interpretivist nature of the research dictated that a latent theme analysis would be most appropriate beyond just the semantic analysis for this study. It was in understanding the underlying meanings of the themes that added value to the inductive development of theory.

The same process was followed for the field notes. It is the researcher’s view that such information enriched the understanding of the social context and attributes that may contribute to the meaning of the data collected during interviews.

#### 4.3.5.2 Triangulation

According to Fusch and Ness (2015) to enhance objectivity and validity, data has to be triangulated by presenting it using different lenses in order to reflect the varied perspectives of the same event. The application of triangulation in this study incorporated

data triangulation (Fusch & Ness, 2015; Noble & Smith, 2015) and theory triangulation (Fusch & Ness, 2015; Myres, 2018).

#### **4.3.5.2.1 Data triangulation**

Triangulation was applied through a comparative analysis of the collected data across the different company sizes, in terms of small, medium and large enterprises, as well as a comparison between private companies and public companies to identify the common as well as conflicting views around leadership capabilities that enable innovative culture. The multiple sector diversity of the sample was another technique utilised at the design level to capture the varied views from which the research constructs could be approached.

#### **4.3.5.2.2 Theory triangulation**

Theory triangulation was used to enhance adequacy in terms of the interpretation of the data collected through the testing of the themes against existing leadership styles theories related to innovation. Theory triangulation was attained using more than one theory to account for the evidence presented in the data, leadership theories of transformational leadership, transactional leadership and ambidextrous leadership were utilised to attain theory triangulation.

#### **4.3.5.3 Researcher bias**

According to Saunders & Lewis (2018), the worldviews and assumptions held by the researcher may influence reliability of the research as the researcher is part of the study. To alleviate researcher bias and ensure rigor, as suggested by Squires and Dorsen (2018), the study was conducted primarily as a contribution to the body of knowledge on leadership and innovation for academic purposes and the researcher did not in any way stand to benefit. The lack of experience of the researcher in conducting interviews was another concern perceived to potentially influence reliability of the research. Chenail (2011) suggests that the researcher could counter this bias by testing the interview instrument for validity and appropriateness of the instrument. To address this bias, interview questions were tested for ease of understanding as a practice for conducting interviews with two individuals. Feedback was used to identify ambiguities in the questions asked.

Further to this, verification strategies such as methodological coherence, in terms of the ability of the chosen methodology to answer the research question; appropriateness of the participation sample through a defined criteria as well as the iterative data collection and analysis grounded by theory (Morse, Barrett, Mayan, Olson, & Spiers, 2002) were employed by the researcher to ensure congruence between the research question and the implementation process. The iterative process of verification enabled the researcher to exercise responsiveness to the data as it unfolded and the discipline to overcome researcher bias in interpreting the data.

#### **4.3.5.4 Research ethics**

The data collection process was conducted within the confines of the ethical standards of research, wherein participants were informed of their rights in participating in the research and an informed consent form (Appendix 3) was signed. The ethical responsibility placed on the researcher in collecting and interpreting data further created a constant awareness and consciousness in maintaining an honest account of the respondents' views throughout the data analysis process.

#### **4.3.6 Study limitations**

This cannot be generalised from a sample to a population due to value attached to the sociocultural context within which the outcomes are drawn. As such the findings of the study are contextually derived and cannot be generalised. The study only reflected insights from the perspectives of senior management in organisations. Employees, who are the recipients of the leadership influences and an integral part of the innovation process, may hold different views which could add value to the body of knowledge if explored further.

##### **4.3.6.1 Researcher bias**

The researcher as a tool in the collection of data was not trained to professionally conduct interviews. That lack of experience has the potential to have an effect on the results of the research. Further to that, the research findings and discussion were based on the interpretation and analysis based on the understanding of the researcher, allowing the possibility that different interpretations and findings could be reached.

#### **4.3.6.2 Selection bias**

The study was conducted with a focus on companies that perceived to be innovative. The findings can be confirmed by deductively testing the exploratory results and extending the approach to include non-innovative companies.

#### **4.3.6.3 Geographic bias**

The study was conducted with companies based in the Gauteng province of South Africa, thus a geographic bias also placed a limitation on the research findings.

### **4.4 Conclusion**

According to Noble and Smith (2015) evaluating the validity of the study findings requires the researcher to illustrate rigor in the appropriateness of the methods applied as well as the credibility of the outcomes. In line with the requirements of academic rigor in research, this chapter detailed the logics behind the chosen methodology and how validity and reliability would be established and maintained throughout the study. The next chapter presents the findings of the research by describing the sample from which the data was collected and presenting an analysis of the results from the study.

## CHAPTER 5: Research results

### 5.1 Introduction

This chapter presents the findings of the research, by providing the reader with a description of the research sample and the findings based on the interpretation of the data. To maintain consistency, the identified themes were analysed in relation to the research questions presented in chapter 3 of the document.

### 5.2 Sample description

Data was collected from senior managers in 15 different industries companies in the public and private sectors of the economy. The sample consisted of 11 males and 4 females. Table 4 presents summarised details of the respondents. These were managers involved in different capacities in the innovation processes of their companies. These companies were assumed to be at the forefront of innovation in their respective sectors and thus provided fertile ground for the insights necessary to shift understanding of the topic. The names of the respondents and companies were anonymised in line with the undertakings made to maintain confidentiality of the participants. Where reference in the quotations may suggest identity of either the entity or the company, details were amended to maintain anonymity and confidentiality. Any reference to a company name was used as an example by the participants and was not in any way related to the company under question.

Table 4: Research sample profile

Category	Sub-category	Company pseudonym	Participant pseudonym	Title	Gender	Ethnicity	Industry	
Private sector	Small Medium Enterprises	Company 2	Respondent 2	Chief Executive Officer/Owner	Male	African	ICT	
		Company 4	Respondent 4	Chief Commercial Officer	Male	African	Biomedical Technology	
		Company 8	Respondent 8	Group Chief Executive Officer/ Innovation Officer	Female	White	ICT	
		Company 5	Respondent 5	Managing Director	Male	White	Intelligent Mapping Solutions	
	Large enterprises	Company 3	Respondent 3	Senior Manager: Human Capital	Male	White	Health	
		Company 6	Respondent 6	Senior Manager: Strategy & Planning Technology Transformation	Female	White	Telecommunications	
		Company 7	Respondent 7	Group Chief Executive Officer	Male	African	ICT	
		Company 9	Respondent 9	Managing Executive: Sales	Male	African	ICT	
		Company 11	Respondent 11	Supply Chain Director	Female	Indian	Food retail	
		Company 12	Respondent 12	Divisional Executive: Emerging Payments	Female	African	Financial Services	
		Company 13	Respondent 13	Head of Technology	Male	African	Financial Services	
		Company 15	Respondent 15	Chief Technology Officer	Male	Indian	Media and entertainment	
	Public sector	State owned enterprises	Company 1	Respondent 1	Senior Manager: Projects	Male	African	Public sector
			Company 10	Respondent 10	General Manager: Innovation	Male	African	Public sector
			Company 14	Respondent 14	Executive Manager	Male	African	Public sector



### 5.3 Analysis results

A background question on the definition of innovation was asked to all respondents, and the responses were in aligned to the concepts of novelty and a different way of thinking. Given the qualitative nature of the study which places value on the richness of the data (Malterud et al., 2016), the analysis of the results placed emphasis on the quality of the data rather than the quantifiable attributes. Further consideration of the fact that the data was synthesised to theme level was another factor that justified not placing emphasis on the frequencies at the code level. However, it is worth noting the key codes that transpired from the analysis. Table 5 displays the codes with the highest mentions emerging from the data. Interestingly, is that the key themes arising from the data were reasonably consistent between the sectors, with rewards and recognition being the most mentioned by most participants. Interesting observations were views on how organisations structured themselves for innovation and inclusive participation that received mention from the private sector. There was no mention of this from the public sector.

Table 5: Code frequencies by sector

Rank	Code	Frequency	Private sector	Public sector
1	Rewards and recognition	12	9	3
2	Function responsible for innovation	11	9	2
3	Structuring for innovation	11	11	0
4	Customer driven innovation	9	8	1
5	Developing knowledge sharing capabilities	9	6	3
6	Allowing learning from mistakes	8	5	3
7	Collaboration and co-creation	8	7	1
8	Inclusive participation	8	8	0
9	Leader accessibility	8	6	2
10	Measurement focus	8	7	1

Further to the code frequencies, a quantitative analysis of the codes in relation to the themes reflected that the codes related to research question 3 constituted 52% of the total codes, followed by the antecedents of innovative culture with 25% and only 23% were related to leadership. Table 6 below displays the category mapping to themes with the number of codes in each category.

Table 6: Research question codes percentages

Research question (RQ)	Number of codes	Category	Sub-category	Theme	RQ code percentage
What leadership activities enable innovative culture in an organisation?	8	Creating a sense of community	Relationship oriented behaviours	Leadership behaviours	23%
	3	Leader accessibility			
	6	Courageous leadership			
	4	Planning for action	Task oriented behaviours		
	3	Openness to ideas and being supportive			
	4	Leader knowledge	Leader traits		
	4	Leadership age			
What are the antecedents of innovative culture?	6	Innovation standards	Nature of innovation	Broad understanding of innovation	25%
	4	Dealing with ambiguity			
	4	Innovation yield span			
	4	Unifying mission		Purpose as driver	
	6	Expressed desire for innovation			
	3	Cascading the vision down		Organisational alignment	
	3	Continuous engagement for shared understanding			
	4	Purpose linked values			
How do leaders build innovative capabilities for continuous innovation in organisations?	5	Everyone an innovator	Inclusive participation	Supportive environment	52%
	4	Collaboration and co-creation			
	2	Innovation a journey	Enabling practices		
	7	Structural support			
	9	Structuring for innovation			
	6	Resource allocation			

	10	Employee development		Learning and development	
	5	Employee empowerment			
				External environment changes	
	6	Awareness and adaptability			
	4	Customer focus			
				Measuring and rewarding success	
	10	Measuring value			
	3	Rewards and recognition			
<b>Total number of codes</b>	<b>137</b>				

### 5.3.1 Research question 1: What leadership activities enable innovative culture in an organisation?

Responses to the leadership capabilities reflected two broad categories of behaviours and characteristics of leaders. Figure 2 presents an overview of the summary results of the emerging views from the data.

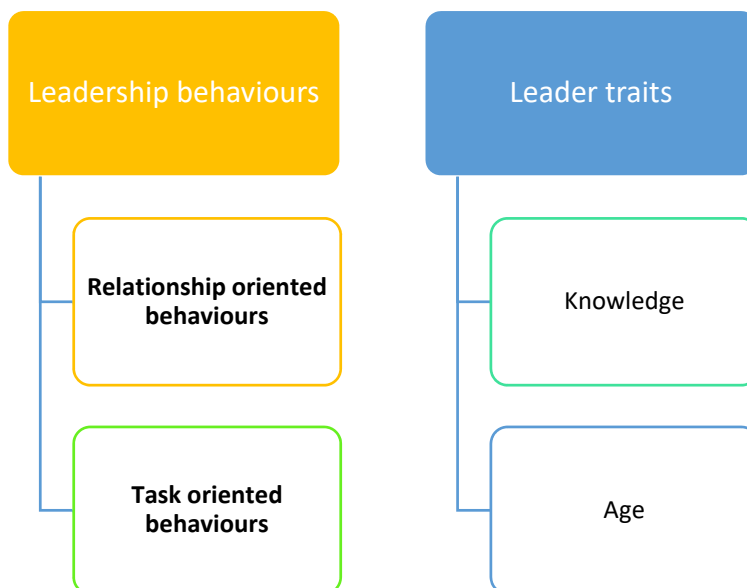


Figure 2: High-level view of research question 1 results

The codes related to the themes that were in response to research question 1 are summarised in table 7 below. In terms of the overall view, 32 codes which constituted 23% of the codes identified were associated with the themes responding to leadership behaviours and traits.

Table 7: Research question 1 theme code mapping

Number of codes	Category	Sub-category	Theme	Research question code contribution
8	Creating a sense of community	Relationship oriented behaviours	Leadership behaviours	23%
3	Leader accessibility			
6	Courageous leadership			
4	Planning for action	Task oriented behaviours		
3	Openness to ideas and being supportive			
4	Leader knowledge		Leader traits	
4	Leadership age			

**5.3.1.1 Leader behaviours**

The pivotal role of leadership in driving innovation was highlighted by the majority of respondents as they shared insights and views of the role leaders play in their organisations to stimulate and foster innovation and at times limit innovation. The responses to leadership behaviours was broadly divided into those aimed at developing relationships with followers as well as those that were viewed to be focused on getting the job done.

**5.3.1.1.1 Relationship oriented behaviours**

On reflecting upon leaders that are able to get people rallied towards their vision, respondents highlighted the need to be authentic when leading people. Emerging out of this view was that people relate better with authentic leaders and are receptive to what the leader has to offer.

“I think from a people point of view in terms of what it takes to actually get that going, it is really about leading from an honest perspective. People can sense when you are not honest in your leadership”. (Respondent 9)

Authentic leadership, was seen as both relationship-oriented in building rapport between a leader and followers as well as change oriented as evidenced by the suggestion of receptivity on the part of the follower when a leader was honest and genuine.

“First of all, a basic thing, going out there and growing employees, getting the staff to come out and start putting a plan in place in terms of what you are going to do to address some of those things that come out, buys you a lot of space in their heart. You can never successfully take an organisation forward, if people have not bought with their hearts in you as a person. And people do not just buy in fluff, they buy authenticity, they buy vulnerability, you have to really come down to the level and be a human being before you are a leader”. (Respondent 8)

Respondent 3 expanded on some of the reasons that limited authentic leading in companies.

“If we could be more authentic about things in organisations, I think we would have a lot of those conditions that we look for. And what blocks authenticity, it is fear, it is protocol, it is systems, it is all those sorts of things”. (Respondent 3)

One respondent suggested that leaders see the good in people and perhaps being values driven as a means for leading authentically. On reflecting on organisations’ managing of mistakes, Respondent 10 suggested that the intentions and goodness of people be looked at from a values perspective rather than just against the rigid and standard measures in place.

“What are our values as a community, because if we inculcate the spirit of genuineness in whatever we are doing, when a person makes a mistake, but trying to attain something that is good, it is understandable, but the society that we have created so far, is whose success is solely pinned on money”.

#### **5.3.1.1.1 Creating a sense of community**

In contrast with authentic and accessible leaders, leaders who were viewed as undermining and dictatorial were perceived as barriers to innovation in organisations. This was reflected in the views of participants who raised challenges with leaders who looked down on people or forced their way as the only one. These attributes were

highlighted by respondents in the public sector while no one in the private sector mentioned them.

“A lot of it is leadership and culture. And leadership and culture [are] intertwined. Leadership means to never constraint individuals, an individual must do their work. But do not force people to do things your own way”. (Respondent 1)

One respondent suggested that this kind of behaviour could be linked to leaders who missed that leadership was not a title but rather a role and that when leaders failed to realise that, they displayed behaviours that inhibited people from being innovative and willing to participate in organisational activities.

“We seem to forget that our jobs do not define us, we define our jobs. So when you come to the job, you do what you do, and you do it best, and everybody will be doing their best”. (Respondent 14)

Reflecting on the importance of appreciating all people and making employees feel valued, one respondent shared insights on how that reflected a different lens to viewing leadership and manage potential perceptions of leaders being seen as bigger beings than the rest of the organisation.

“The people that are influencing in the organisation are leaders, but I do not mean them from the perspective of hierarchy, leaders are people who are respected for anything and within a context. If your role is facilities, you could have brilliant ideas about safety, that is your space and you demand innovation, you want ideas, we allow it. These are all important part of being a leader, create a culture. However, that person does not necessarily have to be the head of facilities, it could be anyone” (Respondent 3)

Another participant reflected on the comfort within people to engage more in areas of familiarity than the formal structures often used in companies.

“And also, from my side, there is a difference between having a formal meeting with people to discuss what they think, and taking a walk down the passage, and ask what do you think, Tony?” (Respondent 14)

#### **5.3.1.1.1.2 Leader accessibility**

One element that was highlighted by most respondents to the study was that of leaders who were not part of the team. Most respondents suggested that a leader who was accessible to people was more likely to get people supporting their vision. In a similar way, those being authentic were able to create relationships between leader and follower; a leader who was accessible beyond the formal structures was suggested to be able to have ease in interacting with people. Other themes around leaders who are seen as team members; willing to acknowledge and accept that they did not know everything; and allowed the status quo to be challenged were highlighted as significant in getting people to contribute to the innovation agenda.

Reflecting on leading as a team member and showing commitment to the innovation agenda, Respondent 11 said:

“If it is not driven by the CEO, forget it. More than that, the tone has to be set from the top. And the CEO has to demonstrate it, he has to be involved. He has to sponsor and take part. He has to be there when you are running the program, he has to put funding towards it. He has got to put time towards it”.

The view that a leader must be part of the team came out strongly when Respondent 13 reflected on the dynamics that played out in their organisation when leaders did not see themselves as part of the team.

“They are participants, I see us as participants. And people that actually stay long in this organisation are those that see themselves as participants, rather than as professional managers or as just leaders of people. So, if you are a leader of people, many people do not stay long, because everyone needs to get involved”.

One respondent reflected on the time when the company’s culture was at its strongest:

“For example, one of the strong cultures that Company 1 had, was during Mr P’s time, he could go to anybody. He would say, who is responsible for this? Just call them to my office, he would skip whether you are a GE [Group Executive], it does not matter if Thabo is the developer responsible for that, he says call them to my office I need to talk to him. And he will talk to you saying, do you understand the implications of the things you do? Do you understand what it

means? And do you understand what it is? Without creating a culture of fear, then people understand the implications of their actions”. (Respondent 1)

Another respondent highlighted the need for a leader who people could relate to, and how they have adopted their organisational management style to allow for people to see leaders as part of the team.

“The management approach is not this management approach, where when people see you as the CEO, they see somebody who is untouchable. As a CEO or maybe the EXCO or executive, you should be the people who can go down to the lowest level where you can relate to people at that particular level”. (Respondent 2)

Values such as listening to different perspectives and being present as a leader were cited by most respondents, as succinctly captured by Respondent 3 stating:

“As a leader, you are going to have to take a chance to listen to everyone. Now you are going to listen to crazy people, but you just might find the diamond somewhere. And I think that is the first mindset”.

The often self-imposed expectation of knowing all things as a leader, was highlighted as a shortcoming to leaders in terms of engaging people but equally in developing oneself. The respondents’ views of having to know more suggested that perhaps understanding leadership as the title and not as a role brought with it pressures that disempowered leaders’ efforts when engaging with their followers, as one respondent puts it:

“But if leadership claims to know everything, that is the demise of innovation” (Respondent 10)

Respondent 3 suggested that a leader should position themselves as not knowing in order to be receptive to other views.

“I think sometimes as leaders we kind of demand of ourselves to be all knowing, all understanding knowing our market, knowing our people, knowing everything, and we place reliance on stuff we may be wrong [about]. I think that is a big, big to me to be open to ideas, but open to learning from those ideas”.

However, a differing view was that a leader should provide guidance in how things should be done.



“And when you are a leader, you do not raise issues and leave them with people. You raise issues, and you say, this is how I suggest going forward, we do it”.  
(Respondent 9)

#### **5.3.1.1.1.3 Courageous leadership**

Regarding courageous leadership, some participants indicated that leaders who displayed courage were able to challenge what many accepted as normal and as such were able to propel the innovation drive forward.

“Being courageous is about challenging the status quo. Being courageous is about taking risk, trying something whether it is going to work, or not going to work”.  
(Respondent 11)

When reflecting on the decision to go against company policies to develop his team to be generalist developers rather than specialist, the Respondent 15 held the view that the value for business and the team was far more important than the set policies that required approval prior to implementation, and that required courage to implement.

“And that was not a formal thing, I did not go to the business, I did not go to my boss and say I need this, we are doing this, we just did it because I created the space for it. And then it adds value to the bottom line in terms of what we are doing that is giving back to our users and our customers”.

#### **5.3.1.1.2 Task oriented behaviours**

##### **5.3.1.1.2.1 Openness to ideas and being supportive**

In contrast to leaders who were perceived as omniscient and wanting to have things done their way, leaders who were open to ideas and supportive of their followers were perceived by most respondents as being effective in stimulating and fostering innovation. Respondent 1 reflected on the kind of things that encouraged people to be confident to make suggestions:

“But also be receptive as a leader to say, even if sometimes you understand that this cannot work, be receptive and say, but it looks good, but think about these things. So it does not discourage employees to do certain things”.

In addition to being receptive to ideas and encouraging more participation by showing appreciation and support, Respondent 10 indicated that in their environment they looked for ideas that have passed the proof of concept stage and provided the necessary support to refine and scale to market.

“So as Company 10, what we normally do is we scout for technologies that have passed the proof of concept, so who are the people or the stakeholders in the ecosystem, that work on the proof of concept, we are talking of the universities, but we are talking also of the communities. So they may have a product, but it does not meet all the standards requirement or has not undergone a rigorous testing, if it is the community then what we do we take them in, then we start to provide the guidance in terms of looking at the technical robustness, when we scale it up, then we also look to provide them guidance in terms of what is the best way to get into the market?”

Reflecting on the support provided to employees in driving the innovation agenda, Respondent 11 said,

“Firstly we all dedicate time to it. We dedicate somebody in our team to be a coach and a mentor on people that need guidance in terms of innovation at restaurant level, so we dedicate resources to it. I think that makes a difference as well because sometimes people just want to bounce ideas and thoughts that they have. We definitely dedicate the time and the investment to it”.

Respondent 13 reflected on the support and openness of leaders in their organisation and the effect this had on people working in an organisation.

“Remember, Thabo is the CEO of [a subsidiary], but it just shows how you could send something, even if it is a lead, or even if it is unfounded, you could send something to a different CEO of a different franchise in the group and they are willing to engage you”

Lack of support from leaders was seen as an obstacle inhibiting companies and their way of exploring for innovation, but even more concerning was the failure to recognise the potential value to be realised.

“The other constraint, if I could call it a constraint is the open mindedness of the leadership team to ensure that there's enough bandwidth in the teams to integrate, and to accept the fact that we do not need to be working eight hours a

day all the time, and have something out there to have. Here is tangible evidence that is how I will use my time, because innovation takes you among many parts, some parts might be a dead end, but as long as you learning from that experience and using it for something else, there is value in it". (Respondent 15)

#### **5.3.1.1.2.2 Planning for action**

Some respondents held that developing action plans as tools of focusing efforts and allocating resources was seen as a means of developing change through tasks. As one respondent stated:

"The second point is action plan. This is what we need to do for us to be able to innovate what we have to circumvent the barriers or challenges that we are facing" (Respondent 4)

Adding to the need for an action plan, another respondent reflected that the need extended beyond the initiation period to also include operational level, and that leaders had a role to play in ensuring that those details were in place.

"And also, when handing over a new innovation, you have to be quite clear in terms of the roadmap of that product in terms of iterations in the future. If I have to hand over a product to you, it is only fair on my part to be able to say, over the next 18 months, you will probably need to upgrade a software at a cost of X for the license. And make sure all those intricacies or costs are surfaced as well, so that whoever is taking ownership and responsibility understands what they are taking on and is able to support you fully". (Respondent 12)

#### **5.3.1.2 Leader traits**

Attributes such as the level of knowledge that leaders possess as well as the age emerged as interesting insights out of the experiences shared by participants.

##### **5.3.1.2.1 Knowledge level of leaders**

Insights on the level of knowledge possessed by a leader and its impact on innovation were highlighted. A few respondents highlighted the need for a leader to be in possession

of some technical knowledge to be effective in leading. The respondents expressed that in cases where such knowledge was lacking, the leader should allow those who were more knowledgeable to take the lead. As Respondent 14 asserted:

“And leading from the front. People think that as a leader, they are not allowed to think technically, that is why in our environment, it is important to manage an environment that you understand, on which you are going to be able to contribute positively”.

Respondent 3 added that leader knowledge included knowing one’s weaknesses and the self-awareness that comes with that ability and that this related to the maturity that leaders exercised in the execution of their duties.

“It is in that moment of self-awareness, where you are realising that you do not know everything. Realizing that if you ask better questions, you are going to get better results. And the reality is, it is impossible to lead anyone else until you can lead yourself. The sustainability of yourself as a leader is a factor of your ability to transcend ego. The reality is you have to do this with other people, there is just no way we are going to be able to do this without others”.

#### **5.3.1.2.2 Leadership age**

Time dimension whether from leaders’ age or the length of service in an organisation was raised as another factor that had a role in innovation. Conflicting views around the age of leaders as well as the length of service in an organisation were raised with some respondents highlighting that the older the leader, the more resistance to innovation, whereas others reflected on the value of experience that enabled different perspectives, an attribute deemed important to innovation.

“And also depending on the age of your leadership, there more people are old, the more, are they resistant to innovation, new ways of thinking”. (Respondent 1)

Opposing views suggested that value in experience had to be built over time, and perhaps that the merging of the strengths brought by each will likely yield the best results.

“And I can hopefully guide them by just being able, because age brings wisdom. And I can step back and see the trees for the woods, which they often can't. And the only way you can do that is through experience. I think when people throw away so called old people, it is the biggest mistake they can make. Because how do you, if I am a youngster I cannot do nothing to buy experience, it only comes with time”. (Respondent 5)

### **5.3.1.3 Summary of research question 1 results**

In terms of the key themes emerging in response to research question 1, leaders who were able to create a community where all members felt valued were seen as having the ability to rally and motivate people to buy-in to the vision and also contribute to its attainment. Respondents highlighted authenticity, leading as part of the team and courage as key in leading for innovation.

### **5.3.2 Research question 2: What are the antecedents of innovative culture?**

In responding to questions for examining the antecedents of innovative culture, the observations of respondents could be categorised in three areas: the need to understand and appreciate innovation for its complexity; having a defined purpose that focused and drove innovation; as well as the alignment of the organisational makeup elements to facilitate innovation. Figure 3 below displays the high-level overview of the themes captured in relation to research question 2.

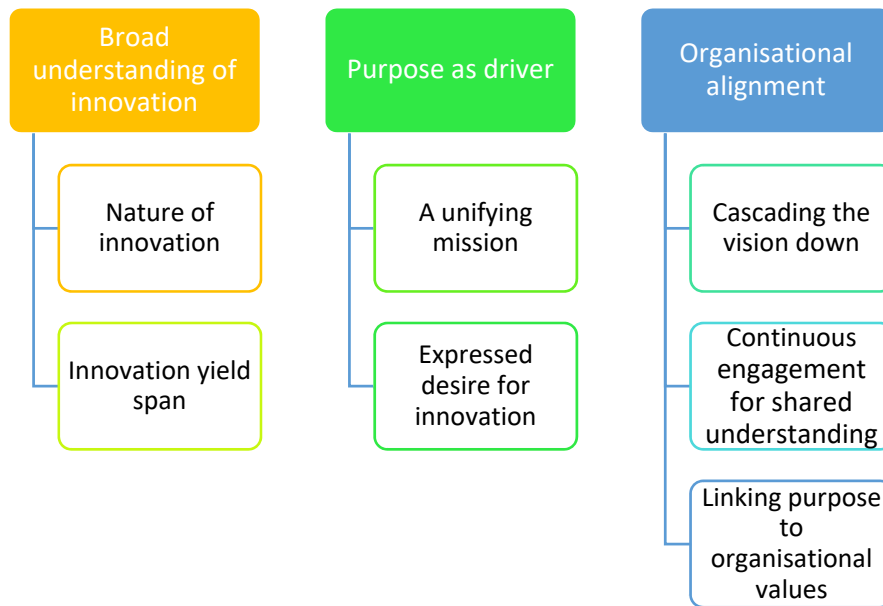


Figure 3: High-level view of research question 2 results

The themes for research question 2 were drawn from 25% of the total codes identified during the thematic code analysis, which is a total 34 codes. Table 8 below displays the code to theme mapping for the themes identified as well as the number of codes that were consolidated to categories for research question 2.

Table 8: Research question 2 theme code mapping

Number of codes	Category	Sub-category	Theme	Research question code contribution
6	Innovation standards	Nature of innovation	Broad understanding of innovation	25%
4	Dealing with ambiguity			
4	Innovation yield span			
4	Unifying mission	Purpose as driver		
6	Expressed desire for innovation			
3	Cascading the vision down	Organisational alignment		
3	Continuous engagement for shared understanding			
4	Purpose linked values			

### **5.3.2.1 Broad understanding of innovation**

The suggestion for a broader understanding of innovation was captured around the nature of innovation; standards as they relate to innovation; the need to be comfortable with tension due to uncertainty; as well as the realisation of the results from innovation investments.

#### **5.3.2.1.1 Nature of innovation**

Despite a shared understanding of innovation as all things new and having a mindset of continuous learning, operationalising innovation was seen as complex, and respondents highlighted the need to appreciate the complexity for an enabling environment. Respondents suggested the need to have a broader understanding of what innovation was, and how it was viewed in organisations. The prevailing view was that a particular notion of what innovation entailed, was held and that innovation was then identified against that lens, almost suggesting that for innovation to unfold it has to comply to expected prerequisites, as one respondent succinctly put it.

“Innovation cannot log a register and say look I am coming. Ideas keep flowing and even at odd times. Sometimes you are engaging on something, then people start having light bulb moments.” (Respondent 14)

Respondent 10 asserted that a constraint in innovation is looking at standards that overlook innovation taking place on a local context

“You also look into the constraints that we also get around a topic of the misconception of what innovation is, but also in terms of the definition of innovation, we tend to ignore a lot of innovation in our background, because we just think that any innovation should come from Silicon Valley.”

The challenge with this kind of thinking, the respondents argued was that it was limiting given that leaders often used their limited understanding as reference points and thus were not as receptive to different views, and also displayed rigidity in dealing with the concept in reality. Further to this was the view put forward that the expectation that

innovation took on a certain shape or form failed to recognise the importance of context and its influence on innovation. This point was driven by one respondent who was emphatic that the standards for innovation were defined by the unique circumstances where the innovation was taking place:

“If you say the word innovation then there is no standard to anything. The only standard we have is quality. The only standard we have is market share. I cannot definitively say to you these are the tools and this is how it would play out. It is all very specific and unique. It is all very contextual and that is why everything has to be in perspective”. (Respondent 12)

In addition to having a broader understanding of the concept of innovation, respondents highlighted the need to be comfortable with uncertainty as a requirement for an environment where innovation was likely thrive. The views were raised upon reflection on the expectations that the tensions brought about by the need to innovate were often seen to be trade-offs and in conflict. On reflecting around the need to be certain, one respondent stated

“As leaders we are going to have to be far more conscious to understand that there is huge amounts of ambiguity and craziness out there. We cannot be expected to know everything”. (Respondent 3)

Respondent 4 pointed out that sometimes the reason why innovation was abandoned was due to the many questions and considerations that had to be made upfront and that it was often easier to not explore when uncertain. This was expressed with the statement

“And the challenge that we have is we know that if we monetise the data we will be able to get revenue, but the problem is, where do we start? What actually does it mean to monetise this data? What could be the challenges we face? If we go ahead with this strategy of monetising this data? Because this data does not belong to us, it belongs to the customers, can we then go to the customers and ask for the permission to monetise the data? What if the customer says no, then we would have invested a lot of money gearing ourselves up for that particular innovation. But if the customer says no, we have lost money, those are some of the reasons that stops the company from innovating” (Respondent 4)



On reflecting on some of the practices that were viewed as curtailing a culture of innovation, respondent 15 had this to say

“The things that actually makes employees nervous points back to strategy changes. We get people all hyped up and motivated that this project is ours, we are going to be doing it, it is going to be so awesome. Halfway through that project, it gets cancelled. Then we have to shift people around.”

### **5.3.2.1.2 Innovation yield span**

Reaping the fruits of innovation was highlighted as another element holding organisations back. Innovation was a process that took time to yield results; it required investment associated with risk; and was a long-term return project. The misalignment of the investments and the expected returns was perceived to be a challenge that organisations needed to address to before operationalising innovation. In reflecting on a specific industry, one respondent suggested

“The J-curve in financial services, for example, is extremely steep. It is very different to retail. First and foremost, there needs to be an understanding of that. So what that in essence means is that the realisation of the benefits is not going to be next year, because we implemented this year, you might see a lift but that lift is marginal it is very small”. (Respondent 12)

However, a respondent’s observations in a different industry suggested that perhaps the challenge of understanding the time it took for innovation to yield results was not peculiar to one industry. Respondent 2 who was in the Information, Communications and Technology (ICT) sector asserted

“So what it means is that the work that we are doing currently might not necessarily see the value now, might see it in the future because innovation does not necessarily mean it must produce the results now. Some of the ideas which we are putting forth now can be realised in four or five years to come but our biggest challenges when people are involved in innovation, they will sort of want to see something that is happening now. I think that is where normally we get it wrong”.

Respondent 11, reflected that innovation brought associated risks and that in order to realise the benefits, there was a need to equally appreciate the associated risks as well as the fact that it took time to get it right.

“The other thing is with mistakes it does take time. And maybe some leaders are not as patient with the time investment that goes with it. So for me, there is risk and there is reward. You cannot have all this reward without taking the risk. And you will have some wins, and you will have some areas where it just would not work. And that is part of the investment you make”.

Respondent 9 added insights on the challenge of looking at innovation in isolation from the holistic organisational operations arguing that innovation could not be isolated from the organisational results:

“Now, I do not want you to divorce innovation from the results because sometimes, great ideas get diluted by lack of good results from a business point of view. We know so many other organisations that have gone down with great innovative ideas, but they came too late”.

Further highlighting the point of innovation measurements insights, which provided depth into perhaps the root of the problem instead of just reducing it to the time dimension, a respondent reflected on the conflicting measures of innovation and how those may perhaps be manifesting as a lack of patience around innovation, when the underlying manifestation was the challenge of meeting expectations.

“We do not have patience with innovation, particularly in developing nations. Our huge thing is about the politicking to create 50,000 jobs, if I have a technology that will create one job, but services thousands of people, it is normally disregarded as less impactful. And we see this typically in pharmaceutical related or health related products, where if you tell somebody that this solution takes about 15 years to develop, but when it hits the market, it is going to service the population of South Africa it is going to reduce mortality and all the like, you are likely going to hear chief, for me to get the votes, I need it now not in 15 years” (Respondent 10)

### **5.3.2.2 Purpose as a driver**

The need for a clear vision and purpose for the organisation to work towards was highlighted. Respondent suggested that people were driven by a bigger purpose which

they could relate to. Where this existed and was understood, people were challenged to volunteer their efforts, knowing that there was value to contribute.

#### **5.3.2.2.1 A unifying mission**

The reflections around a purpose driven mission suggested that people were driven by a purpose which they could relate to. The observations highlighted that a purpose presented a goal and aspiration that people worked towards. As Respondent 7 put it:

“Look, our purpose as a company is to deliver innovation that matters, that is our reason of being. And we just did not come up with that purpose, because we just felt that it is something that feels nice, it is linked really to if I look back at our heritage, our history as a company. We have been that company that came up with new technologies for South Africa”.

Another respondent responding to how competition amongst participants in their programmes was addressed in a way that achieved its mandate, offered that a clear articulation of an end goal assisted in aligning different stakeholders in the programme to work together.

“They sort of operate in competition, instead of looking at the ultimate objective. So what we have done is, we had to look into what is the end goal, the end goal is the improvement of the citizens livelihood, the end goal is to look into the economic development of the country. So those underpinning end goals help us to align all stakeholders” (Respondent 10).

Reflecting on the need for inspiration of the people in a company, one respondent suggested that people needed a reason for being a part of a company. This view was supported by another respondent who indicated that in their case, the customer was the primary purpose for driving people to be at work.

“Because when you are in an organisation, you want people who believe there needs to be a strong case of understanding “Why do we belong in this place? Why do we come to work each day? What value are we bringing in?” (Respondent 15)

The engagements with participants highlighted a strong need for a clear purpose that an organisation existed to serve. Perhaps coming out of the data and engagement was the

view that when people understood the reason for existence and the value that they brought individually, they were motivated to contribute. This theme was highlighted to be important for organisations, even before it was a requirement for innovation.

#### **5.3.2.2.2 Expressed desire for innovation**

Expressed desire for innovation was a combination of a leader who displayed the desire and need; was able to articulate and inspire the desire; as well as put in place the mechanisms that would move the desire to action. This, according to participants, was a subject of having an appetite for innovation, setting the tone from the top, setting stretching goals that people could aspire to achieve and sharing responsibilities.

In addition to a unifying mission, participants expressed a need to have a desire to innovate that was infused from the top. The expressed desire whether spoken or in actions, reflected an openness as well as an invitation for innovation to be explored. Reflecting on the need for the tone to be set at the top as a driver for the rest of business, Respondent 4 suggested:

“I think when you want to build a strong, innovative culture, within a business, you need to start from the top. The CEO of an organisation needs to embrace that and be open to new ideas of doing things”.

Another respondent highlighted that the leadership approach essentially became the standard adopted throughout the organisation.

“Look, I think, trusting leadership, employees take the speed of leaders. But trust me, if leaders are laissez faire, in their approach to things, staff will also follow that pace. You can see it across all organisations, you find a new leader, he is hyped up, his pushing, his pumping, automatically people make sure that they follow the rhythm. They basically change the way things are done, and obviously align with what the leader’s vision is”. (Respondent 9)

Respondent 1 advised that over and above leadership that had a desire for innovation, that desire had to be cascaded down in the organisation for people to equally be challenged.

“You have to have the appetite as a leader. So if a leader has an appetite for innovation, therefore by default in scorecards and things it permeates through

the organisation. To create the appetite [in the organisation], you can present a scenario to paint a picture of where we are and show blockages. And highlight that if we do not change and do things differently, this is what it means”.

Respondent 6 indicated that being deliberate was important to changing people to think more about being innovative.

“What makes sense is innovation should be cascaded in each functional area, and making sure that leaders say, bi-yearly we must come with two innovative ideas to basically grow the innovation thinking, because it is a behaviour”.

That view was supported by other respondents reflecting on the practices that they had put in place to drive continuous thinking of ways to provide solutions by setting stretch targets. Respondent 7 reflected how targets were utilised as a drive for continued innovation with revenue as a measure.

“And right now, we have almost 50% in fact more than 50% of our revenue, coming from products that are developed from our own intellectual property. And our drive is to continue to have more and more of the profits of this company coming from our own IP”.

Reflecting on the design approach aimed at having a shared responsibility, Respondent 12 expressed the need to have all parties along the value chain involved from the beginning.

“You begin those discussions up front and in the design of that particular product and service, for example, I normally would only develop a product that I know has a home. And the home would be the business as usual division of people that will be responsible to scale it because as an innovation leader in the enterprise, I do not hold onto products and services because I do not run a team that is able to commercialize.”

### **5.3.2.3 Organisational alignment**

Moving beyond having a purpose as anchor for existence and setting the tone from the top, participants were quick to highlight that getting innovation to be part of the organisational operations was hard work that required commitment and dedication. Organisational alignment as a theme transpired from observations that beyond the

articulation of the purpose, and having people wanting to innovate was the continuous engagement and organisational activities that were in support of the purpose and that desire to maintain the momentum. Participants emphasised that intention alone was not good enough if not supported by practical and tangible actions. The underlying message coming from participants was the need to have leadership willing and committed to continuously engaging people and walking the long mile.

#### **5.3.2.3.1 Cascading the vision down**

In reflecting on cascading the vision down, interesting views of demanding and directing seemed to be in contradiction to having a leader that knew all as an obstacle to a culture of innovation. However, what seemed to be raised by participants was seeking accountability from other leaders in an organisation once the tone had been set.

“Promote the culture by actually demanding innovation from managers, from the leaders. So that it runs through the organisation, of course within certain limits”.  
(Respondent 1)

Cascading the vision could not be divorced from the decision-making processes in the organisation, as those were seen as pivotal in realising the dream. Respondent 11 noted that expectations may be counterproductive to the objectives.

“Whereas what I have seen is when you have just gone through this massive journey of I want to become innovative, I am going to change this, I want to do MVP. And then there is pressure on the team to just make it work hundred percent. And if there are mistakes along the way, you affect people's confidence levels, the leadership patience runs out”.

Reflecting on the alignment that their organisation had achieved and the decision support processes in place, Respondent 13 commented:

“A certain element that happens here is because it is flat in terms of engagement it is easier to move around. If you found value or an idea from another team, it is easier to go in and say, let us form something that we could work on for the next three months. There is no, but you are assigned to that particular cost center in that team on that floor. So you could work from a different space, as long as there is value in what we are doing”.

### 5.3.2.3.2 Continuous engagement for shared understanding

Continuous communication and engagement were seen as something that could not be taken for granted on the basis that a vision and a tone had been set from the top. As Respondent 4 reflected:

“The challenge is in big multi-national you will find that the CEO will talk about these things, but when it filters down to executive vice president and then that culture sort of disappears. And when it comes to the foot soldiers on the ground, it is the status quo”.

To counter the distortion or even loss of the message, respondents highlighted that communication should continuously be valued and practised in companies.

“There are so many different channels, no one size fits all, it is communication from your managers themselves, when they launch the program, it cannot be done from some notification or email, it has to come from the executive down. And it has to be ongoing, because you need to keep the energy levels going all the time. You need a planned change management program, because it is a change you are going through, within a culture, constant communication, one on one sessions in the restaurants, engaging people, why do you not want to share this? What is holding you back? Why do you feel encouraged? Can you share that with your team members, it is really continuous engagement”. (Respondent 11)

Engagement as a form of discussion and dialogue, as opposed to a one way channel where the leader delivers a message, was seen as critical for creating meaning and understanding. Respondent 15 shared their view on what they considered an effective engagement approach.

“And the kind of leadership is around, instead of directing and commanding it is more around having conversations and asking questions. In asking questions, we then make people think, and they come around to your way of thinking, I may have the solution already in my mind but I cannot go and impose it on them”.

### **5.3.2.3.3 Linking purpose to organisational values**

In addition to creating a shared understanding underpinned by continuous engagement, participants believed that the ideals of innovation must be linked to organisational values, such that the organisation lived those values as a means to operationalising innovative thinking. Respondent 7 noted:

“But there is something that is the enabler of this thing, we had to come up with a new set of values. And this new set of values talk to the kind of culture that we are trying to build. And so for example, one of the values that we came up with is openness, honesty, and integrity. So when talking about being open, it means that you have to share, you sharing information, unlike in the past, some people were holding onto the little information that they have”.

Respondent 11 who believed that in order to weave behaviour into the organisational operations, it had to be linked to organisational values to build the culture and not create dependence on the leader.

“And if you link it to one of those core fundamentals of the organisation, one of the values then I do not think you have a leadership dependency. We linked it to the value of how we can help people as being the motto for our company. And then when you link it to your offering to the customer, you keep on saying how does this program link to what you are offering the customer, as in your brand value proposition?”.

### **5.3.2.4 Summary of research question 2 results**

Respondents felt that in understanding the complexity of innovation, leaders could be in a position to put in structures that were designed around broader guidelines to focus efforts while allowing flexibility for people to adapt to emerging changes in the organisation. The notion of a broader understanding of innovation within the context of operationalising it was highlighted as important.

### **5.3.3 Research question 3: How do leaders build innovative capabilities for continuous innovation in organisations?**

Research question 3 aimed to examine the practices leaders deployed in organisations to build capabilities that enabled continuous innovation. The primary themes emerging from



the data were a supportive environment; learning and development; ability to sense what was happening in the external environment and adapting accordingly; as well as clarity and focus on measuring and rewarding the success of innovation. Figure 4 depicts a high-level view of the key themes that emerged in response to research question 3.

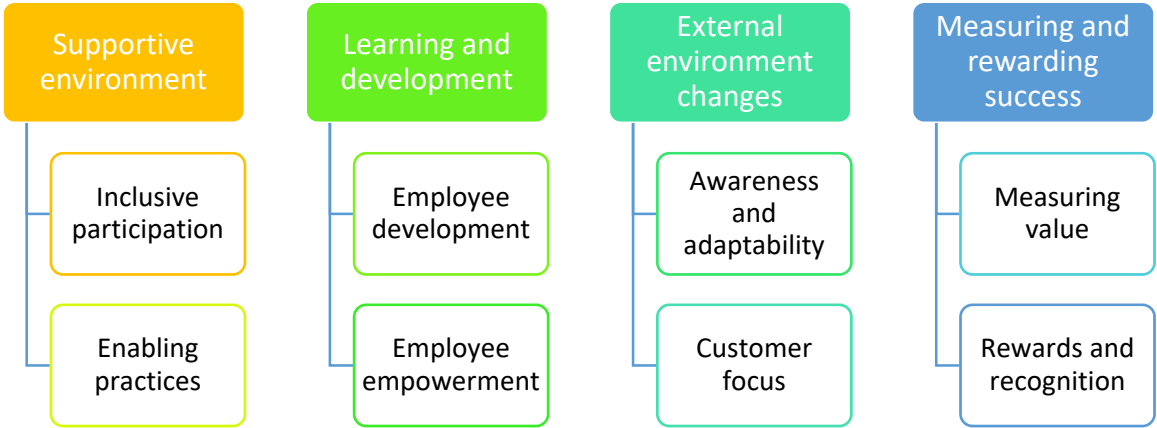


Figure 4: High-level view of research question 3 results

The themes that emerged in response to research question 3 were significant as highlighted by 71 codes identified being associated with categories for the themes and constituted 52% of the total codes extracted. Table 9 below displays the code to theme mapping for the themes identified as well as the number of codes that were consolidated to categories for research question 3.

Table 9: Research question 3 theme code mapping

Number of codes	Category	Sub-category	Theme	Research question code contribution
5	Everyone an innovator	Inclusive participation	Supportive environment	52%
4	Collaboration and co-creation			
2	Innovation a journey		Enabling practices	
7	Structural support			
9	Structuring for innovation			
6	Resource allocation			
10	Employee development		Learning and development	
5	Employee empowerment			

6	Awareness and adaptability		External environment changes	
4	Customer focus			
10	Measuring value		Measuring and rewarding success	
3	Rewards and recognition			

### 5.3.3.1 Supportive environment

Creating a supportive environment for innovation to develop and be inculcated as part of the organisational culture was highlighted as key to stimulating and fostering innovation by most of the respondents. The primary views emerging from the theme of a supportive environment could be broadly categorised into creating an environment that encouraged and espoused inclusive participation as well as the enabling practices that allowed for people to be enthused about being innovative. Respondents highlighted the need to being valued and made to be a part of the organisation as key to getting people to participate in innovation programs.

#### 5.3.3.1.1 Inclusive participation

Innovation opportunities presented themselves in many forms and in different areas of the business thus posing a challenge for leaders to put in place mechanisms that would result in the optimal seizing of those opportunities as they emerged. The key themes emerging from the data were around having an annual competition that allowed employees in the organisation to bring forth their ideas and creating a conducive environment for innovation to unfold. Central to driving inclusive participation was the suggestion of the role that leaders play to make everyone valued and safe to express themselves.

“I suppose the leader’s job is to make sure that everyone knows they should not be terrified, but I think people will still be terrified. More importantly to once you have this opportunity to connect to those other people that they would be [helped]. It is amazing how just me asking a favour from another colleague, at a senior level that I have a relationship with, to meet with somebody from a staff level, that would never do it. That staffed them with all the confidence in the world to go and do it. I do not know why it is like that, that some reason they have the ability, but they will never do it themselves. So it is a bit strange. But you know,

this leadership role is probably, I would say, the most crucial role in innovation”.  
(Respondent 3)

Another respondent reflecting on the intentional efforts of creating inclusivity offered that even the structuring of the teams had to reflect the value of inclusion.

“But right now is like, always as a design for putting together teams, let us make sure that they involve different types of people. Again in the past there were groups of people that were expected to come up with ideas, and we never even thought that people that may be sitting in the reception may have great ideas. The way now we are doing things, you could be sitting anywhere in the world, and you can be the one that comes up with a great idea that ends up being implemented. In one of the first CE challenge, it came from a very junior employee, that now we are implementing that whole idea across the entire business. It is reducing significantly the cost of servicing clients, and even servicing internal people, but it came from somebody that in the past, that person would not even be considered, so that diversity, value inclusion is the thing that is helping us to do that. But you have to create that environment where people are able to do that. So that is what we have been doing, are we fully there? No. But hey, we are largely there, you know?” (Respondent 7)

Respondent 13 commented on the need for leaders to be aware of the strengths and weaknesses in order to be deliberate about innovation offered

“It is a challenge because we have people and for me, personally, in my space, I have got people that are introverts that cannot articulate what they have done in the last financial year, you need to figure out how to get it out of them. Because people are that varied, and to watch against those that are good at selling, but very much not good at delivering. So I guess being a participant, you get to see and get closer to where things are delivered. So even though you have biases, but it just guards against the extreme left of introverts who cannot articulate and the extreme right of extroverts who sell well”.

Reflecting on activities that reflect undertones of exclusivity, Respondent 9 noted:

“An idea that is generated by a female at work in a boardroom, and this female employee did not get a sense that her idea was well received, or it just got lost in the conversation. Two weeks later, the very same idea was proposed by a male counterpart, and everybody was excited about this idea. Is it because of

the way a male articulated himself? You have to find a way in an organisation to channel these ideas and acknowledge them. And make sure that the process of refining them is transparent”.

Inclusivity was also not just limited to individual value but in some instances it was reflected in the value attached to participation by also recognising and rewarding ideas that were not implemented or in cases of involvement of support of ideas put forward. This practice was seen as encouraging employees to participate and limited the obsession of placing too much importance on only the winning ideas.

“If it is a very basic idea, still a great idea, but not a game changer. That idea can still get implemented. It is like an operation idea to clean up some data file that is slowing down our computer. A very simple idea, it is not going to win the prize they will just implement that. They will take it through and the operational efficiency that run it through so it does not get lost”. (Respondent 3)

The underlying drive for inclusive participation amongst respondents was seen as primarily valuing participation, particularly in the early stages of the program, in order to develop a culture of innovation. In such cases, value seems to have been placed on participation as much as on the ideas that proved to be commercially valuable to the companies.

#### **5.3.3.1.1.1 Collaboration and co-creation**

Recognising the interdependencies that existed in organisations and the importance of collaboration to drive innovation, participants commented on the need for collaborating across different business units as another means to advance inclusivity and the creation of superficial flat structures where hierarchies were limiting the ability to seize innovation opportunities.

“The other value, being collaboration across teams is being deliberate. Today if you want to come up with great ideas, you need to bring people coming from different functions. They are better placed to be able to come up with new ideas than people coming from just one function. So that collaboration across team, that is something that we are forcing until it becomes a new culture”. (Respondent 7)

The observations highlighted that even though the desire existed and there was also a general understanding of the need to collaborate, practically doing it remained a challenge. Respondent 15 added:

“We also create these things called tribes to be cross-functional. You will have an architect, a developer, a tester, a platforms engineer, and then they are sitting together, and developing and learning from each other. But it is very hard work”.

### **5.3.3.1.2 Enabling practices**

#### **5.3.3.1.2.1 Structural support**

##### **i. View of innovation as a journey**

Some participants highlighted the perception of innovation as an event to be amongst the challenges they had to tackle in advancing it. An important consideration was that it took time and there was a need for organisations to appreciate this if they were to build a culture of innovation. Participants lamented the tension between organisational policies and structures, such as the performance management system designed for specific times as well as tangible outcomes, which were not supportive of the principles underpinning innovative behaviour.

“We get easily discouraged if sometimes we do not see what we are currently doing not being implemented immediately”. (Respondent 2)

Respondent 11 noted that celebrating small wins was part of the journey necessary to building momentum and confidence in the team.

“So how we do this, I always say when you begin a journey, get some traction on some small wins. Because what it does is, it builds confidence. And when you have confidence in small little things, it will then build to get the bigger stuff going. And then when you are in the journey of some of the bigger stuff and one or two fail and there are mistakes happening, you still have your confidence that came with the smaller stuff”.

Another interesting insight was the continuous nurturing of the process to become a norm and part of organisational culture.

“But why I find that as a formula that works is, it resurrects something when it is a separate program. My view is a company that is starting off on this journey

start off with a program, baby it, nurture it, such that it becomes embedded in the culture of the organisation". (Respondent 6)

## ii. **Functional responsibility for innovation**

Different views around where innovation should be situated in the organisation were shared by respondents, with the minority suggesting a dedicated business unit to drive innovation throughout the organisation while some suggested that innovation should be made the responsibility of everyone in the organisation.

"But innovation is not confined to the business units that are responsible for innovation. So innovation can come from anybody. So whether you are there doing project management or whether you are doing governance, if you come up with innovative ways of managing your value chain or enhancing your value chain in your own business, that is what you should do" (Respondent 1)

Adding to the discussion was Respondent 7 who noted that as opportunities for innovation were everywhere in the business, engagement with different people was important.

"For me the important part of innovation is collaboration, whether it is collaboration internally, or collaboration with your clients, that is where innovation comes in, if you are just sitting there as an island, very likely that you are not going to be coming up with innovation. If you do not engage the people that are the closest to the customers and not getting their ideas, you are going to be missing a lot of insights".

A different view suggested a dedicated business unit for innovation that would work with other business units to ensure achievement of set objectives was necessary.

"It is really very important to actually run innovation as a separate business unit, and really put a peg on the ground in terms of, what is the vision you are trying to deliver, how is an innovation department going to get us there, and make sure that you have milestones in place to make sure. It cannot, whilst I say it is a separate business but it cannot work in isolation. It really has to generate ideas, plant them into different sides of the businesses and get the business owners account in terms of what innovations they have successfully managed to deploy in their businesses". (Respondent 9)

Respondent 11 noted that different people had different roles to deliver in the innovation process but cautioned against expecting everyone to be responsible for innovation.

“Based on people's different work style, different personalities, different ways of working, you are not necessarily going to have everyone come up with new thinking. You get the new thinkers, and then you get the implementers, and then you get the drivers and then you get the people that facilitate. When you ask for every single employee to be innovative, I do not think it is being reasonable.”

Respondent 15 cautioned against the approach of having a dedicated business unit highlighting the potential to create class differences that may undermine the innovation agenda.

“Some organisations create some kind of innovation department. And they say you are the special group of people that are responsible for bringing innovation into the organisation, that also does not work. Because then it creates this boundary or creates this group or segmentation that there is a special area in the business, that is like the A class people who are the innovators, and the rest of us are just the implementors and the doers”.

### **iii. Structuring for innovation**

Further to the differences in terms of whose responsibility it was to be accountable for innovation in business, was how the organisation was structured and the policies in place that inhibited innovation.

“I work in a matrix organisation. What does that mean? It means that I have five people that I report to and these people are sitting in five different regions, running five different businesses, that could be a strong inhibitor, from an innovation point of view. Because if I come up with a brilliant idea for one line of business, if five of my VP's do not buy into that, it will not fly, because when it comes to investment, all five of them need to chip in” (Respondent 4)

Despite the different organisational structures, perhaps what seems to be advancing innovation objectives was adopting platforms that functioned within the formal structures.

“We had this history that was largely silo-based, meaning if you belong to a particular division the innovation would only be happening in that division.

Whereas if you look at our society at large, everything is connected, we are living in a connected world, we can no longer become islands. What we have done to avoid the history limiting ourselves and to also give the people a broader perspective, that is why we end up having the platform that cuts across the group breaking the silos, because those silos in the past prevented people from thinking beyond the silo itself, they were just limited thinking of belonging to this division". (Respondent 7)

Equally important was the recognition of the effect of policies on driving innovation. Respondent 10 reflected on how policies in conjunction with authoritative power were used to limit freedom of thinking.

"You will find that at times in an organisation, for example, government organisations, whether we like it or not, there is political influence and any politically influenced organisation has got what is called managerial thuggery. The issue of hierarchy, you are asked to do, you do not question it, we have to do because it comes from the presidential pronouncement, it is a DG or it is a ministerial pronouncement, but who informed that pronouncement".

On the difficulty of execution, even when structures were facilitating collaboration for innovation, respondent 3 noted that the actual implementation brought with it role misalignment and different dynamics that had to be addressed

"But now the CEO starts saying can you work with this person, can you work with it, but are they part of my team, or are they just advising?".

Reflecting on the organisational policies that may not be applicable to innovation given the nature of innovation, Respondent 1 shared their insights and challenges.

"One of the biggest inhibitors are old policies and rigid things in government, for an example, one of them is what is your job description, you know, versus what is your role. We tried to put the role-based kind of the structure, but then then you have the union saying this person is employed to do this"

In contrast to the inhibitory effect of highlighted policies, Respondent 13 pointed out how the adopted culture enabled supportive policies to be catalysts for innovation.

"There are multiple ways, the first one which is facilitated by the culture that of an entrepreneurial organisation. So because there are no rules, no restrictions



on where you can be, you can change roles without having to go through HR process. So that energizes you, I mean I am here eight years, but I think I have been in six roles. And probably the last four roles, I did not have to have the HR process of interview with the new boss”.

#### **5.3.3.1.2.2 Resource allocation**

Committing resources to innovation programmes was highlighted as an important theme to developing capability for facilitating innovation. Emerging as important, in terms of resource allocation, was the need for technology platforms that enabled collaboration, information and knowledge sharing as well as participation and transparency.

“We created a platform called idea trigger. Idea trigger is our own IP, this platform is designed along the lines of the social media. So you come up with an issue, a challenge, or anybody, any of the leaders in this business issue a challenge”.  
(Respondent 7)

Respondent 11 shared how a process to ensure the exploration of ideas from the people on the ground was formalised to enable innovation

“The employees and the managers, they have these ideas, but they just do not have the platform to share them, their manager is blocking it. And there are so many reasons as to why this does not go nowhere. So what we have done is establish a program. And we formalized the program where people come up with ideas. There is a system where they log, they are getting coaching, they are getting mentoring, and we also invest and we put money aside to the project. And this is coming out with new products in the restaurants, this is coming up with new processes in the back”.

Adding to the discussion on technology platforms as enablers for innovation, respondent 3 believed that not having such a platform in their organisation was constraining to fully pursuing innovation.

“For me, it is that full democratisation. Anytime, anywhere, everyone involved. So it is quite a simple thing, you have a platform, and they exist. And I can post my idea, and it guides you how to post that idea. People log on, look at ideas build on ideas, they say they voted up further down, once it gets to a certain amount of interest, it can get taken out there, can get planted into a lab worked

on and delivered. And we can incentivise that. I mean, you can incentivise it if that is what you wanted”.

In terms of funding as a resource, differing views were highlighted with some participants suggesting the lack thereof as a constraint. Interesting is that there was no clear distinction in terms of the types of organisation

“Costs is another thing, as well. So availability and access to budget. That hinders innovation”. (Respondent 15)

Respondent 5 did not see funding as a constraint.

“I do not need to throw a lot of money at it or anything. As I said, it is just about the mindset, changing the mindset, you can get very far with a new mindset”.

Reflecting on office planning and design, Respondent 6 suggested that the transition to open office plan was significant in addressing the class barriers created by big offices.

“I can slowly see that we are shaping into openness. I have also noticed Company 6 has started embracing collaboration in that they have closed down the big offices. We all have an open plan, whether you are a managing executive, executive director, whatever, we all have an open plan policy. We are all sitting in the open to basically, it is one way of creating collaboration, kind of strip away the levels”.

Overall, respondents indicated that innovation was a time and resource consuming process that required deliberate effort and commitment from leaders to carry it to completion.

“In order to innovate, you need time to think, and you need time to do research. And if an organisation does not create that slack for you, it becomes really difficult because you just operationally focused all the time. You have projects to deliver, you have systems to maintain, you have customers to keep happy, and that can be fully time consuming”. (respondent 15)

Even more important was the requirement for executive sponsorship that would drive the programme and facilitate the necessary support. Respondent 4 commented on the lack of role clarity and a sponsor at executive level as reasons why a digital council established to run an innovation programme was not effective.

“Because what is important is that you need an executive sponsor, and that executive sponsor needs to be someone who is sitting in EXCO, who has the power to say, the digital council has come up with these two ideas. How then do we execute on these? Who is going to execute, because the digital council is not responsible for executing whatever we come up with, it has to go out to someone else. Who will drive that?”

### **5.3.3.2 Learning and development**

People being at the center of innovation and the pivotal role that they played suggested that any initiative to innovate without the involvement of people was bound to fail. Participants highlighted the need to continuously create opportunities for employees to learn and develop themselves. They suggested that the most value for innovation was from people who were learning and developing their skills and capabilities. Primary themes emerging were around acknowledging and nurturing the potential in people, allowing people to learn from mistakes and investing in people.

Significant to the respondents was the need for organisation to be more open to mistakes on the understanding that for innovation to take place, mistakes were an inherent part of the process. Beyond the acceptance of failure as part of innovation, was the view that creating space for people to fail built confidence and encouraged participation in innovation.

“So in my organisation, failure is something that is encouraged, we encourage failure, although there are certain things that if you fail on one particular thing that is really a big core for the business, you will break the whole business, you have to embrace failure responsibly, there has to be risks. You need to take into account the risks that you are exposed to, when you embrace failure”.  
(Respondent 9)

Another interesting insight was the view that innovation by its nature brought risks for failure and knowing may help leaders in adapting when managing.

“Because once we delve into areas that we do not know, we are bound to have mistakes. And that is where I think leadership then comes into play because as a leader, you should know when to punish, you should know when to protect, you should know when to sort of support. And being able to play those different

roles through different moments with a person in an organisation is extremely difficult. But I think that is where the quality of leadership really shows itself".  
(Respondent 12)

Respondent 11 who suggested that a 10% success rate indicated that mistakes were a significant part of the innovation process.

"It is allowing mistakes as well to happen. And I think the third one is the more important one, because of 1000 ideas, you are going to get 90% that are going to fail, and it is going to just go nowhere, once you put a business case together. But as long as you give people that platform to say, it may not work, it is fine. You just need the one to work, but also to encourage mistakes. That is where I see some leadership do not work well because we do not encourage mistakes".

Reflecting on acknowledging the potential in people that required nurturing, respondent 5 suggested that giving people opportunities had a positive impact on driving innovation in companies.

"If one gives every person just the opportunity to try and go to that next level. We are not all rocket scientists, but anyone who spends enough time on studying rockets could become a rocket scientist. That, I think within reason".

Supporting the view to acknowledge potential and give people an opportunity, Respondent 15 expressed the need to allow space for people to work outside of their operational deliverables.

"But you also enable some flexibility in people's time and the fluidity to allow them that space and freedom to do some innovative things and even create some slack in your project timelines that factors these things in. Because if you do not have a separate innovation department, and you want your people to grow they need to have that space in their day to day work, as an outlet for them to experiment".

Developing people according to participants also meant investing financially as well as creating means for ensuring development.

"If I tell you that your job is A and B, you will only do AB, but if I stretch you now and say your target, you will do one innovation initiative for the year, it will be amazing of how much work you would have done". (Respondent 6)

Reflecting on multi-skilling as a means for developing employees, Respondent 15 shared insights on how such practices were implemented in their organisations.

“So just because you are an architect does not mean you cannot code. Just because you are a software developer does not mean you cannot do architecture. So that is the culture we are trying to build here”.

Respondent 5 further acknowledged the need for development suggesting that such should be done within the context of understanding individual limitations, to ensure that a person was developed and not pushed to a point where their self-belief was negatively impacted.

“And that to me was an important lesson to then say, but within every person's set of gifts, how do I make them feel tops, be creative, be innovative, innovative in that field where they feel strong, because I think probably you could hurt someone badly, by pushing them too hard in an area that they just cannot do. That to me is counterproductive. And no matter how good your intentions are, you are going to break down a person's self-esteem”. ( )

### **5.3.3.3 Employee empowerment**

Above creating opportunities for learning and development, whether through formal or informal training, empowering people to be safe in exercising their views was another important element highlighted for creating a culture of learning and development. The primary themes emerging from the concept of employee empowerment was the view of not restricting employees by not allowing them to be creative.

“And we need the leadership that impart confidence in its own followers, so that the followers can actually end up taking that leadership role”. (Respondent 10)

Reflecting on the approach adopted to promote empowerment, Respondent 15 commented:

“I manage my stakeholders upwards, there is a tendency of the classic command and control kind of management comes and hits me. And then I have to buffer it from my team, because the kind of space we are trying to create for this area is a lot of freedom and empowerment and ownership and to create leaders from

within rather than saying, because I am at this level in the organisational chart in the hierarchy, whatever I say goes”.

#### **5.3.3.4 External environment changes**

A few participants highlighted the external environment as a significant factor in any organisation’s journeying through the innovation processes and driving an innovative culture. Two key themes emerging from the interviews were that organisations ought to be kept abreast with the developments in their operating environment for alignment and gaining a deeper understanding of customers as a source for innovation.

“We need to have the broader understanding in terms of the trends within the ICT in terms of how is the world evolving how the world is going and where will it be going because once we have that clearly defined, we should be in a position to say how do you align”.(Respondent 2)

Respondent 15 noted how their organisation did not have a long-term strategy as it allowed itself to be responsive to the changing external environment.

“It is around understanding the context of the organisation. And as large as Company 15 is, we are quite an unstable company, in that we are always changing and our strategy, we do not really have, in terms of having a long term strategic roadmap or view, we tend to adapt a lot due to changing market conditions, and so forth. And a lot of things we cannot predict”.

In addition to keeping abreast and understanding how the external environment impacted organisations, respondents highlighted the need to have a comprehensive understanding of customers and their journeys.

##### **5.3.3.4.1 Customer focus**

A customer focused approach to innovation emerged as one of the significant themes. Respondents highlighted the need to have a comprehensive customer journey in order to have solutions designed for a 360° view of the customer. They noted how gaining a deeper understanding of their customers enabled them to think creatively about the value proposition offered to them.

“And I think the important thing really is putting yourself in the customers shoes, because how you map it defines those processes of entrenching that product

into what we call business as usual. It is really if you look at it from the lens of the customer who would typically consume those products”. (Respondent 12)

Respondent 3 shared how as an organisation, there was an observation of a shift from deciding the solutions that customers want to thinking deeply about how the solutions developed will add value to users.

“It is starting to become more human-centred, it is becoming more empathetic. And we are seeing innovation and ideas from the perspective of not purely ourselves as experts in something but obviously of the users”

Reflecting on understanding customers holistically, Respondent 13, suggested that the customer journey has enabled a different view of the opportunities as well as how the business saw a need to be restructured.

“We have been investing in customer journeys and customer experience. Our customer is Shoprite, but the Shoprite CEO, is an individual first and foremost. So now how do we catch Shoprite, and catch Shoprite CEO and his employees or her employees? We have moved now to say, our journey is to catch all these levels. Then come back home and say, what capabilities do we have? We have Company 13 that will deal with Checkers. Subsidiary\_A will deal with the CEO on their personal account, and subsidiary\_B will deal with individuals who report to the CEO”.

### **5.3.3.5 Measuring and rewarding success**

Measures of innovation were to a large extent seen as being complex. This complexity was perceived to be constraining innovation. Participants were unequivocal in how measurement as a strategic tool was perhaps not designed for innovation and as such failed to recognise the fundamentals to progress innovation initiatives.

#### **5.3.3.5.1 Measuring value**

Respondent raised views about the complexity of the concept and how that manifested in the challenges around measurements. The complexity of measuring innovation was due to an innovation being part of a system with many layers offered by a single product. As Respondent 3 observed when reflecting on a product that the company had.

“Measuring innovation is hard, because one thing leads to another, leads to another and even take it one step further, then we sell the IP to another organisation or venture capital organisation, take a stake in it. Now you have made money just out of the IP, not selling the product. You can just keep building this thing and it goes, however how should we measure innovation?” ()

Respondent 10 who suggested that the instruments used to measure innovation success were merely adopted because they were easy and perhaps, fitted in the acceptable frames existing in organisations but were not sufficient to measure innovation.

“I look at measuring innovation, I think it is huge. It is complex, and we need to have certain models that will ensure that we measure innovation appropriately. This thing of intellectual property or novelty is not the best, it is inadequate, it is part of it, but it does not measure innovation holistically. So I do not think that we have come to a stage where we can say we are able to measure innovation, the whole impact of innovation is just small components, that one is comfortable with, that might be easy to track that one can focus on. But I think there is a lot that can be done around that”.

Respondent 15 argued that in fact to measure metrics of a tangible product with the number of defects and so on, was a consequence of the underlying behavioural attributes that talked to the real measure of innovation.

“In terms of is my job worthwhile? Is it motivating? Am I learning from it? And Am I doing real cool work? Less about "is my work adding to the bottom line of some shareholders to create more return for them? The things I am talking about are all the less tangible stuff. It is about behaviour, it is about attitude., it is about maturity, it is about the ability to build relationships, it is the ability to handle times of crisis. And the measurement of that indirectly, you gauge the outcome in terms of a team performing. And some of it can be tied to real measurement in terms of you are developing a product, how many defects your product has, how many outages did we have, and so forth.”

This view was also shared by Respondent 2 who highlighted that seeing commitment from their employees was an indication that perhaps there was fulfilment that was necessary to drive and maintain innovation in the business.

“The commitment is there to say, people are now very committed, because you can see from what you are doing that it is not only driven by money because



money sometimes drives people. But this one shows, this is out of love of what they are enjoying in terms of what they are doing”.

The other difficulty with measuring innovation was indicated as the ambiguity around the focus for measurement. Some respondents indicated that in measuring innovation, the tendency was often to stick to existing acceptable standards of measure, which according to the data, did not adequately address the value of measuring innovation. Emerging was the impact that innovation had on the behaviours and attitudes as something that perhaps had to be looked at in measuring innovation.

“And this is something that I have to, as the leader in Company 15, because we are a publicly listed company, it is my job to ensure that the people that work with me, appreciate that [measuring shareholder value]. But I cannot let that be the only thing that concerns me, things like people's happiness, people's own careers and their learning, their development is important” (Respondent 15)

Focusing on the direct return on investment as a measure, Respondent 4 highlighted how such loyalty to numbers often created a misalignment of objectives in organisations. This emerged when the respondent shared how value that could not be directly tied to a key measure in the business would often be overlooked.

“In my organisation, the number one KPI for me to get buy-in is return on investment from a monetary point of view. I can come up with other metrics and say, recruit 20 partners now they are all BEE, it will contribute to our BEE scorecard. If we recruit 20 partners, and if those partners can hire young people who are previously disadvantaged, we are contributing to youth unemployment in the organisation that will contribute towards our skills development, and all those kinds of things. But those metrics are secondary”.

#### **5.3.3.5.2 Rewards and recognition**

In addition to finding the correct measures for innovation, Respondent 13 highlighted the significance of recognising and rewarding innovation as a propeller to developing an innovative culture. The respondents agreed that recognition and rewards could be in different forms.

“Here it is up to what they have seen in the last year, it is up to how much they have seen of you in the last year that determines what you are going to get either for increase and bonus or both. You could get zero increase and zero bonus, if there is that confirmation. Or you could get a good increase and a good bonus”.

Supporting the view that incentives could be used both positively and negatively to reinforce behaviour, Respondent 12 commented:

“Your psychology tells you that if I am positively reinforced I am going to repeat that behaviour. If I am negatively reinforced, I will not repeat it. We need to incentivize people for the right behaviour and penalise people for the wrong behaviour. And that is really hard to change and drive culture in large organisations”.

On reflecting on the effect that peer recognition had in influencing change, Respondent 10 offered that such an approach could be used to effect change in the business.

“When people start to acknowledge each other's contribution to one another's technologies, then you utilize those people as the nucleus of change and let them do the same to others. And that way, you defuse that mind frame”.

Respondent 3 expressed the value attached to being celebrated in the company for innovation.

“In a space of Company 3, it is all about being celebrated. As your division, whatever, for doing something first, something unique”.

#### **5.3.4 Conclusion**

This chapter presented the results of the study with primary focus on the key themes that emerged from the findings. Primary amongst the findings was the development of an enabling environment that is supportive of innovation initiatives, the requirements for a broader understanding of innovation as a construct for better appreciation as well as leadership behaviours that drive relationships and networks for innovation value as well performance-oriented behaviours aimed at driving goal attainment.

The next chapter discusses the research findings in light of existing body of literature and details the underlying meaning from the study as well as what it means for the body of knowledge.

## CHAPTER 6: Discussion of results

### 6.1 Introduction

In this chapter, the principal findings of this research which were presented in Chapter 5 will be discussed. The discussion will position the findings in line with what is known and what is yet to be known (see Boote and Beile, 2005) in terms of the literature reviewed in Chapter 2 of this report. The literature reviewed related to the constructs of leadership, leadership capabilities, innovation, innovative culture and innovation capabilities.

The key findings emerging are discussed in detail as per research question. However, it is worth noting that the combined 77% of the codes related to an innovation supportive environment as well as the antecedents for innovative culture was reflective of the value placed on the elements as key factors in facilitating innovation. Equally the top code of rewards and recognition, which was mentioned by all participants is indicative of the value attached, which despite different contexts is aligned to Berraies and Zine El Abidine (2019) who holds contingent reward should be utilised as a complement to transformational leadership in order to foster innovation and innovative behaviour.

### 6.2 Discussion: research question 1

This question was intended to establish the kind of activities, values and behaviours deployed by leaders to rally followers for innovation in their organisations. Extant literature on the divergent views of the leadership styles for innovation exist (Berraies & Zine El Abidine, 2019; Hansen & Pihl-Thingvad, 2019; Hill et al., 2014; Li et al., 2016). The lack of consensus on the leadership styles suitable for innovation has caused confusion to a point where scholars have called for leadership research specifically for innovation (Ye et al., 2019; Zacher & Rosing, 2015). The lack of consensus in literature on the leadership styles effective for driving innovation may perhaps be due to the contextual nature of innovation, complexity and dynamism of the concept such that a unidimensional view might be limiting for comprehensive understanding. It was due to these discrepancies that for the purpose of this study, the focus was on leader activities, values and behaviours rather than on a particular type of leadership style. This was in line with the recognition of the complexity of the innovation construct.

Emerging from the findings was attributes that were categorised into behaviours that leaders displayed in their interaction with employees in business that were either supportive or inhibitive of the innovation drive, the personal traits of leaders as well as the competencies of leaders.

### **6.2.1 Relationship oriented behaviours**

Leaders who were deliberate in creating a relational interaction with employees were seen as a significant element in influencing people to buy into a leader and the organisational vision as well as challenging people to action. This finding is consistent with the findings by Lin et al. (2016) that established the moderating effect of relational capabilities in facilitating knowledge absorptive and integrative capabilities, as well as the empirical findings by Hakkarainen and Talonen (2014) that discovered a correlation between innovation performance and absorptive knowledge. Adding to the debate is Norbom and Lopez (2016) who suggest that leaders who are able to recognise the potential of informal power as a base for influence are better positioned to establish a culture of innovation. The insights from literature when evaluated against the findings suggest that leaders who are able create value networks in the organisation, will be facilitating knowledge accumulation which are considered as key in developing a culture of innovation (Caridi-Zahavi et al., 2016).

#### **6.2.1.1 Creating a sense of community**

The data revealed that creating an inclusive environment was important in promoting innovation. The idea of making people safe and valued as part of the team was in harmony with the findings of Edmondson and Harvey (2018). Edmondson and Harvey (2018) found that deliberate leadership effort encouraged debate while collective transformation of knowledge built trust amongst team members. This facilitated the sharing of uniquely held knowledge and as such yields positive team performance. This was also in line with the transformational leadership dimension of inspirational motivation concerned with the communication of a shared organisational vision and a common purpose transcending beyond individual interests ( Bednall et al., 2018; Berraies & Zine El Abidine, 2019; Prasad & Junni, 2016).

The need for leadership not based on the title and able to relate to people was seen as enabling follower accessibility. The perception for viewing leadership as a role rather than as a title was revealing as it suggested that leadership should not be defined by titles but rather by functional roles. Pitelis and Wagner's (2019) suggestion that shared strategic leadership enabled the transfer of individual capabilities to teams which allow for the embedding of the capabilities into organisational capabilities. Also consistent with Anand et al. (2019) findings of leader's humility as an enabler to creating trust for facilitation of

knowledge sharing capabilities, was respondents from the public sector highlighted dictatorial tendencies of leaders who forced their way without leveraging on the competencies of teams to deliver, as Respondent 10 asserted

“The leadership should be able to humble itself to get people who are more competent than the leadership so that the leadership can be well advised”.

Accordingly, this was viewed as undermining the drive for people to be innovative. This notion is further in harmony with literature that advocates for distributed leadership across the organisation to enable innovation (Chen, 2014; Sull et al., 2015).

### **6.2.1.2 Leader accessibility**

Transformational leadership has been positively linked to innovation and the creation of an innovative environment in organisations despite ambiguities around the specific dimensions of transformational leadership that foster innovation (Chen et al., 2014; Jaiswal & Dhar, 2015; Li et al., 2016). The observations by the respondents expressed that accessible leaders who were also active participants in teams commanded respect and trust while were seen as displaying the organisational values and behaviours to be espoused (see Bednall et al., 2018; Berraies & Zine El Abidine, 2019; Prasad & Junni, 2016). Such leaders were perceived to inspire confidence and purpose in followers and tapped into the potential of people in the organisation. This point is in line with the inclusive leadership view espoused by Hill et al. (2014) who posit that to tap into an organisation’s human resources requires leadership that moves away from seeing themselves as smart visionaries to recognising the collaborative intelligence across the organisation.

### **6.2.1.3 Courageous leadership**

The findings from the study also revealed that leaders who displayed courage and challenged the standard organisational norms were able to propel innovation. Their ability to challenge the status quo was perceived as showing an openness to different ways of thinking while equally displaying a commitment to the innovation objectives. Intellectual stimulation is the level to which leaders encourage independence of thought and risk taking (Bednall et al., 2018; Berraies & Zine El Abidine, 2019; Prasad & Junni, 2016). The findings contribute to the body of knowledge in that leaders who display courage grants their followers the freedom for independent thinking and are thus able to motivate innovation.

### **6.2.2 Task oriented behaviours**

In addition to fostering an environment that values and allows all members a safe space for contribution, the findings highlighted the importance of leadership behaviours aimed at deliverables. Such leadership behaviours included open-mindedness and support for ideas as well as planning. The importance of action plans in driving innovation was consistent with Rekonen and Björklund's (2016) findings that even though an open and trustful environment was recognised as important for innovation, it was less valued compared to clear roles, set objectives and task coordination. The task orientation approach was related to planning, which, according to Agarwal et al. (2014) organisations that are able to adopt better management practices displayed the ability to diffuse innovation.

Perhaps what is transpiring from the data and literature is the importance of finding a balance between creativity in terms of ideas coupled with the guiding principles that enable attainment of outcomes. These findings are consistent with ambidextrous leadership that suggests that for leaders to be effective, they need to simultaneously do the right things and doing things right (Enninga & van der Lugt, 2016), a view that is also highlighted by Lukoschek et al. (2018) when making reference to dual innovation leadership.

### **6.2.3 Leader traits**

The attributes of a leader regarding age and knowledge were highlighted for consideration in developing both a climate and capabilities for innovation. The key issues raised included how the age of a leaders and tenure in an organisation might limit innovation. Also highlighted were the conflicting findings around the knowledge of leaders entrusted with being at the behest of innovation programmes.

#### **6.2.3.1 Leader knowledge**

The findings reflected that a leader must have technical knowledge of the subject matter in order to lead effectively. This was in contradiction with the findings of a study by Norbom and Lopez (2016) on power influences on innovation that established no strong evidence supporting information power and the associated expert power in influencing innovation. However, Norbom and Lopez's (2016) findings were in line with the contrarian view of some respondents that leader knowledge should not be limited to technical knowledge but should also include leader recognition of self and weaknesses where the leader would depend on the experts or those who knew to lead the process. This notion is closely related

to the understanding of leadership as a role and not a title that respondents raised as important to driving innovation.

In the evaluation of Australian companies on management practices of operation, performance and people management, Agarwal et al. (2014) suggested that organisations that are able to adopt better management practices were associated with an educated personnel profile. This suggests that education level was relevant in leader's adoption of practices that may influence innovation but found no correlation with the leader's level of innovation.

### **6.2.3.2 Leader age**

In addition to the issue of knowledge was the perspective that age and the tenure of leaders in organisations had an impact on the level to which they were able to drive innovation. Literature is mute on the age or tenure of leaders. The contradiction between youth and experience is in line with the demand for leaders to be ambidextrous and have the ability to simultaneously manage creativity and discipline (Bel, 2010). The optimal value to be realised from this tension is a combination of both youth and experience.

## **6.3 Discussion: research question 2**

Research question 2 was aimed at establishing the antecedents for innovative culture. Kwan et al. (2018) posits that creativity as a foundational component of innovation is culture bound. Based on this understanding, it was deemed necessary to gain insights on how to develop precursors for an innovative culture. Jaiswal and Dhar (2015) posit that an innovative climate is a subject of the employee's perception about the extent to which innovation is supported by the environment and resources are allocated as well as the work challenges that promote creative problem solving.

Literature has been varied on the factors that underpin the development of an innovative culture. However, respondents attached importance around a broader understanding of innovation and the plurality of the role leaders have to accept and an innovation driven purpose with continuous communication to establish organisational alignment as Respondent 12 reflected.

“The market can't wait for our pipeline, and it doesn't, therefore we need to prioritize it. So the leadership has a role in my opinion in playing out all those different roles.

But also making sure that when the product is developed, it has a home, and there is proper commercial models around it. And that it's integrated into the business seamlessly and properly”

### **6.3.1 Broad understanding of innovation**

Literature is replete with varied definitions of innovation and the types of innovation. (Fay et al., 2015; Underdahl, 2016; Fontana & Musa, 2017; Rosing et al., 2011). The findings reflect that even though there was an understanding of innovation as a concept of novelty, there was differences on how to operationalise it.

#### **6.3.1.1 Nature of innovation**

Tian and Wang (2014) point out that inherent in innovation is failure and that despite the considered attempts to provide for every possible contingency, the nature of innovation makes it impossible to foresee. Drawing from the insights from Tian and Wang (2014), the findings found that a lack of recognition of the unpredictable nature of innovation or perhaps misaligned expectations about innovation, was at the root of some of the challenges experienced by respondents. Respondents to this research seemed convinced that a particular notion or set of standards that define innovation existed and where organisations did not relate to variations of that view, there was no commitment to innovation, as Respondent 4 asserted:

“And that's one of the challenges where people are not willing to take the risk to the end so that they can see the results, immediately something goes wrong, the knee jerk reaction is to go back to your usual ways because you think that the risk is too high. And the inconvenience is going to be too costly. And then people go back to their usual way of doing things”.

The expectation that all contingencies of innovation processes would be catered for was contrary to the unpredictability and uniqueness of each innovation opportunity. Accordingly, such lack of appreciation was seen as a source of frustration by the respondents. Some insights on the underlying reasons revealed that it was perhaps due to the structural makeup of organisations where everything had to be planned in advance with clearly defined and measurable outcomes or even standards to be adhered to. Respondents indicated that as much as attempts can be made to ensure that there were contingencies, how innovation processes unfold was unpredictable. Accordingly, expectations of clearly defined plans and outcomes was limiting in creating an innovative culture. The findings contributes to the dilemma of determining the boundaries for leaders



in setting guidelines within which innovation can be encouraged, as Miron-Spektor and Beenen (2015) cautioned about the possible counterproductive effect of too either much flexibility or performance goal orientation. Perhaps what is reflective of the finding is further examination of how the balance between encouraging flexibility and maintaining focus through performance-oriented goals can be attained within a relational context of leaders and followers.

According to Hill et al. (2014), leading for innovation entails strategically being able to shift and manage many tensions while creating a safe space for people to debate rigorously within a guided framework, learning from failure and collective decision making that is integrative of the different ideas in the business. The findings reflected a difficulty of putting innovation in place. One would expect that given the understanding that innovation was complex and non-standard, it would naturally follow that uncertainty and tensions would be the order of the day. However, the results indicated that for innovation to be fostered, there was a need to be appreciate and be comfortable with ambiguity.

#### **6.3.1.2 Innovation yield span**

The suggestion by Berraies and Zine El Abidine (2019) that innovation requires a balance between exploiting the existing knowledge for short-term returns with the external emerging changes for long-term returns, provides lessons for this study in as far as appreciation that there is understanding and commitment that innovation takes long exists. However, the findings that reflect pressures for organisations to deliver short-term returns, suggest insufficient appreciation by leaders, as Respondent 10 reflected:

“We do not have patience with innovation, particularly in developing nations. Our huge thing is about the politicking to create 50,000 jobs, if I have a technology that will create one job, but services thousands of people, it is normally disregarded as less impactful. And we see this typically in pharmaceutical related or health related products, where if you tell somebody that this solution takes about 15 years to develop, but when it hits the market, it is going to service the population of South Africa it is going to reduce mortality and all the like, you are likely going to hear chief, for me to get the votes, I need it now not in 15 years”

The expressed frustration by leaders who did not exercise patience for the long-term programmes were attributed to the level of understanding of what it actually meant for innovation to unfold. This has implications for management in how they advance innovation.

### **6.3.2 Purpose as a driver**

The findings highlighted a need for an innovation purpose as the primary driver and glue that held the innovation mission together. A unifying mission, and expressed desire for innovation driven from the top, as well as set actionable stretch targets, were the key conclusions drawn from the study. This was in line with the findings of Wang and Dass (2017) that top management's innovativeness can be transferred to be part of an organisation's innovation capability only to the extent that there is strategic commitment to focus on innovation in an organisation. The mission, targets and expressed desire for innovation driven from the top were viewed as a strategic commitment that would also enable the channelling of resources towards innovation programmes.

### **6.3.3 Organisational alignment**

According to Norbom and Lopez (2016) developing a culture of innovation is a subject of continuous alignment and realignment of the interdependencies of strategy, people, processes and external changes in the environment for optimal organisational performance. The findings on cascading the vision, as well as continuous engagement for shared understanding, reinforce a need for a deliberate leadership commitment to support the vision for innovation with tangible actions as well as continuous engagement to maintain shared understanding. In particular the findings suggested consistency in actions in terms of decision-making processes, policies, accountability and structure alignment. Although the underlying focus was on organisational alignment, a slight contradiction arose from the views that leaders must demand innovation from the rest of the leadership. However, it would seem that the demand for innovation from the rest of leadership was more from an accountability perspective in an attempt to explicitly demonstrate the importance accorded to the concept.

#### **6.3.3.1 Linking purpose to organisational values**

In addition to continuous engagement, the findings highlighted the need to link to the purpose to organisational values to be part of the organisation's ethos. Norbom and Lopez (2016) suggest that the alignment of different organisational elements, and in particular culture, may find relevance as values are part of an organisation's cultural artefacts.

### **6.4 Discussion: research question 3**

Research question 3 explored how leaders developed innovative capabilities for continuous innovation in organisations. According to Schoemaker et al. (2018) an organisation's capabilities is a subject of its ability to sense changes in its operating environment and adapting accordingly, while Wang and Dass (2017) adds value creation through innovative initiatives that results from an organisation's adaptation to the changing environment. Saunila (2016) posits that innovation capability is contextual in how organisations use their knowledge to transmute and engender innovative culture for organisational sustainability.

The findings indicated that a supportive environment backed by enabling practices, learning and development, an awareness and agility of the changes in the external environment as well as measuring and rewarding success were key for an organisation to develop and nurture innovative capabilities necessary for continuous innovation. This supports the findings by Caridi-Zahavi et al. (2016) that, coupled with a solid vision, leaders who are able to build capabilities that enable knowledge integration in the organisation can enhance organisation innovation performance.

#### **6.4.1 Supportive environment**

According to Hinson and Osborne (2014) managing for innovation necessitates creating a climate that will enable emergent ideas to be leveraged and implemented for the company's competitive advantage and Tsai (2018) highlighted that a supportive environment was valued more than perceived payment equity in fostering innovative behaviour in knowledge intensive contexts. In their response to the question on creating a supportive environment, some respondents exposed inclusive participation and implementation of enabling practices as significant components to developing innovative capabilities. The significance of a supportive environment in enabling innovation was reflected in the total of 33 codes associated with this category.

##### **6.4.1.1 Inclusive participation**

Edmondson and Harvey (2018) point out that the growing complexity of business dictates for cross-boundary teams and that leadership that is deliberate in their drive for inclusion is necessary to exploit the value, creativity and innovation brought by diverse views, expertise and knowledge. Contributing to the value of building the right culture for

innovation to permeate, Chen (2014) posits that leaders must create environments that enable distributed leadership as well as communication that fosters teamwork to create innovative projects. The key findings on creating an inclusive environment as well as collaboration and co-creation were aligned with literature requirements of building an innovative culture (Chen, 2014) as well as the shared strategic leadership that enables the transferring of individual capabilities (Pitelis & Wagner, 2019) to teams for the embedding of the capabilities into organisations (Edmondson & Harvey, 2018).

#### **6.4.1.2 Enabling practices**

According to Wang and Dass (2017) argue that innovation can only be advanced to the extent that top management has adopted it as strategic imperative and supported it with the associated allocation of resources for its advancement. Grabner et al. (2018) posit that the benefits of innovation capabilities can only be fully realised when there is alignment with the different interdependencies. The emergent findings are consistent with existing literature in that for innovation to be successful and filtered through the organisation's operations there is a need for a different culture from leadership that has a comprehensive understanding of innovation, supported by structures, processes, systems and resources that facilitate innovative processes to take place (Grabner et al., 2018). The finding that when leaders set the tone at the top, resources are channelled towards the set objectives is consistent with the argument by Wang and Dass (2017).

The inconsistency with the finding on funding as a requirement is perhaps reflective of the context that depending on the nature of business and the extent to which the available infrastructure in organisations given differences in size can be used for exploring innovation, funding is not viewed as a challenge. This insight points out an attribute that may be worthy of further examination to advance academic understanding on leading for innovation.

#### **6.4.2 Learning and development**

Schoemaker et al. (2018) identifies three primary pillars of dynamic capabilities as the organisation's ability to detect changes in their operating environment and having an understanding of the implications of that change to the business, leveraging opportunities that emerge as a result of the change as well as the continuous learning and unlearning of the organisation to maintain agility.

#### **6.4.2.1 Employee development**

The findings pointed out that investing in the development of people through training and acknowledging and nurturing potential through the creation of opportunities, allowing learning from mistakes as well as multi-skilling advanced innovation. These findings are aligned to Forés and Camisón (2016) who argue that the benefits offered by dynamic capabilities depend on the knowledge accumulation processes and structures used to develop, synthesise and put into use both the internal and external knowledge existing in organisations. The setting of goals and targets aimed at stretching employees beyond their comfort zone, while being cognisant of their limitations was consistent with the transformational leadership attributes of intellectual stimulation as well individualised consideration (Bednall et al., 2018; Berraies & Zine El Abidine, 2019; Prasad & Junni, 2016).

#### **6.4.2.2 Employee empowerment**

Norris (2018) proposed that shared strategic leadership that tapped on leadership capabilities of individuals in the organisation is necessary for collaboration and organisational learning as leaving strategic decisions to the elite top management was ineffective in uncertain and dynamic times. The findings from the study supported the proposals made by Norris (2018), with respondents indicating that certain decisions should be left to employees who, due to their proximity to customers and processes, will be better positioned to make the best and rapid decisions. The suggestion of broader guiding principles from the top while allowing flexibility and autonomy (Miron-Spektor & Beenen, 2015) was encapsulated by respondent 15 who asserted:

“In terms of the how, and the mechanism in terms of how to solve problems, it is left to the teams to solve. You have to trust your people that they will know the best way to do something. I will step in and give guidance, if I feel that the guys are veering off track”.

#### **6.4.3 External environment changes**

An organisation as a system is part of a larger ecosystem it operates in. The findings highlighted the importance of understanding the external environment as a necessary capability for enabling innovation given that an organisation is part of the ecosystem of the environment it operates in. Significant to the respondents was the need for adaptation to the changing external environment, consistent with insights from Hinson and Osborne

(2014) on the need for an organisation to be attuned to its external environment, as one respondent encapsulated:

“It is around understanding the context of the organization. And as large as Company 15 is, we are quite an unstable company, in that we are always changing and our strategy, we do not have a long-term strategic roadmap or view, we tend to adapt a lot due to changing market conditions. And a lot of things we cannot predict” (Respondent 15)

Another key finding was the customer-centric approach as a means to being innovative. Significant in this regard was the approach to having a 360° understanding of the customer in order to be both responsive to the changing needs of the customer as well as to identify other opportunities emerging from customer contact points.

#### **6.4.4 Measuring and rewarding success**

Measuring and rewarding innovation success was considered important despite the expressed lack of knowledge on what constituted successful measures of innovation. In terms of rewards and recognition, the respondents were emphatic that people should be rewarded even though there were ambiguities around the types of rewards most effective to drive innovation.

##### **6.4.4.1 Measuring value**

The difficulty experienced by organisations in measuring innovation was highlighted as the lack of clarity around the value of innovation, for example with regards to placing too much emphasis on the outcome that is a tangible product or delivered project and overlooking the value creation in terms of learning derived from the process. The complexity of measuring the value of innovation can perhaps draw insights from Saunila (2016) who established that dynamic and responsive measurement of innovation can be used as a strategic tool to enable innovative culture. The intersection of the findings and literature suggests that leaders have to exercise discretion within reason when measuring the value of innovation, and equally within the context of a broader understanding of the value creation that may better position an organisation for future opportunities.

##### **6.4.4.2 Rewards and recognition**

The findings indicated that rewards and recognition were significant motivators for people to be innovative. This was, however, at odds with Norbom and Lopez (2016) who found

that formal bases of power (legitimate, reward and coercive power) did not correlate with innovative culture. The findings were also not in alignment with the views that innovative cultures are built by appealing to the intrinsic motivators as purported by transformational leadership (Chen et al., 2014; Jaiswal & Dhar, 2015; Li et al., 2016). This finding however expands on the work of Hansen and Pihl-Thingvad (2019) who held that transformational leadership's effect on innovation is moderated by the extent to which verbal rewards are used. The added ambiguity to literature by the findings further add to the argument that innovation and leadership are contextually dependent and no individual leadership style can be effective for each task, but rather that leaders have to adapt to situations as they present themselves (Shafique & Beh, 2017).

#### **6.4.5 Synthesising the findings discussion**

The contradictions emerging from the research contribute to the vagueness emanating from reviewed literature. This reinforces the contextuality and multi-layered nature of innovation that cannot be viewed with a unidimensional lens. This perhaps further highlights the need for research to understand the context within which certain determinants are effective. The observations from the interviewees reflected activities that were undertaken by leaders at different phases of the innovation culture initiation process. To advance the understanding of operationalising innovation, a synthesis of the findings was classified in three broad categories, whereby different activities and leadership capabilities could be undertaken to facilitate and foster an innovative culture. The categories are: initiating innovation programmes; structuring for innovation; as well as embedding practices to develop the capabilities as part of the organisational mechanisations and daily operations. A conceptual framework is developed and explained in chapter 7 based on a synthesis of the themes from the interviews as well as the contrast from the literature. A high-level overview of the different categories is detailed below:

##### **6.4.5.1 Initiating innovation programmes**

This category is concerned with how management introduces innovation where there is no structure to tap into the existing potential that lies with the people in the organisation. There was general acknowledgement from the respondents that people played a critical role in innovation and it was incumbent upon leaders to create an environment that both triggered and fostered innovation.

#### **6.4.5.2 Structuring for innovation**

Once a decision has been made for innovation to be made part of the organisational strategy, leaders ought to be deliberate in their efforts to show that ideas are valued, the contribution from people is both recognised and appreciated. This deliberate effort will entail the creation of a supportive environment for the identified innovation programmes.

#### **6.4.5.3 Embedding practices**

Beyond the initiation phase and deliberate creation of a supportive climate, leaders have a responsibility to ensure that capabilities that have been built for innovation are transferred from individuals to an organisation level such that the level of innovation does not depend on individuals but becomes part of the organisational culture. Embedding practices entails the development of systems, processes and structures aimed at solidifying the learned capabilities as part of the organisational capabilities.

#### **6.4.6 Conclusion**

The findings support literature on the role of leadership in leading for innovation and perhaps the heightened demand for different leadership characteristics as suggested by Shafique and Beh (2017) who posit that leaders who are to be effective in enabling innovation would also need to continuously innovate their capabilities in response to the changing situational needs.

A summary of the key insights from the study is presented in table 10, as summarised from existing literature on the determinants of innovation.

The next chapter concludes this study by summarising the principal findings and contributions emanating from the research as well as highlighting the limitation to the study and recommendations for future research.



Table 10: Study key findings evaluated against innovation determinants

<b>Innovation determinants</b>	<b>Description</b>	<b>Reference</b>	<b>Key findings</b>
Leadership culture	Refers to leadership behaviours and characteristics when interacting with followers to promote innovation	(Le & Lei, 2019; Saunila, 2016)	Leaders should have an open mind to different things and gain a broader understanding of innovation, create an environment that is supportive to innovation and create systems and processes that facilitate innovation
Follower intrinsic motivation	Relates to the follower's proactive motivation to be innovative	(Saunila, 2016; Tai & Mai, 2016)	Follower intrinsic motivation to innovate was not revealed as a default position, but the findings suggested that where leaders were able to provide a purpose that is bought by followers and there was a supportive environment to explore, they were motivated to contribute to add value
Knowledge management	Refers to an organisation's knowledge development processes, management and knowledge sharing capabilities. It also relates to the integration of external knowledge into the internal processes	(Bednall et al., 2018; Le & Lei, 2019; Saunila, 2016)	The findings reflected that organisations that have put in systems and processes in place to facilitate knowledge management and sharing were making progress in creating a culture of innovation as part of the learning and development and supportive environment dimensions
Organisation structuring	Relates to the structures, systems and processes that enable innovation	(Saunila, 2016)	Different organisations are structured differently, however key findings highlight the establishment of networks for collaboration that operate above the formal hierarchical structures in place

Managing paradoxes	Refers to an organisation's ability to manage the many tensions that are related to the complexity of innovation	(Arena & Uhl-Bien, 2016; Enninga & van der Lugt, 2016; Kao & Dacko, 2016; Zacher & Rosing, 2015)	The findings in terms of managing paradoxes was seen as an antecedent for an innovative culture to develop. In particular the finds call for a holistic understanding of innovation as a complex concept
Innovation supporting environment	Relates to the work climate that is receptive and responsive to innovation with deliberate efforts put in place to support innovation	(Bel, 2010; H. L. Chen, 2014; Saunila, 2016; Tai & Mai, 2016; Zacher & Rosing, 2015)	Findings reflect organisations that are receptive and supportive of ideas to be effective in developing an innovative culture where people are enthusiastic about contributing to the innovation agenda

## Chapter 7: Research conclusion and recommendations

### **7.1 Introduction**

Innovation remains a key strategic lever for organisational growth, sustainability and competitive advantage. Importantly leadership has a key role in driving innovation for organisational success. However ambiguities remain when it comes to the question of operationalising the concept (Kuratko et al., 2015; Lai & Lundgren, 2017). The ambiguities around leadership capabilities that enable innovation have led to scholars questioning the adequacy of existing leadership models built around top-down and bureaucratic mindsets in addressing the challenges of leading for innovation (Ye et al., 2019; Zacher & Rosing, 2015). This is a concern that emerges from several studies that reflect the challenge of the practicality of operationalising innovation within the context of understanding its importance for organisational growth and renewal (Christensen et al., 2016).

The primary objective of this research was to identify leadership capabilities that facilitate an innovative culture. In attempting to respond to the research question, the study sought to understand antecedents for an innovative culture given the leader capabilities against the understanding of the moderating effect of culture on organisational behaviour and performance (Dodge et al., 2017) and equally how those capabilities are transferred and integrated to form part of the organisational operations. It was anticipated that gaining an understanding in those areas would contribute to the body of knowledge around the type of leadership capabilities required to lead and facilitate innovation, which from a business perspective would be enriching in terms of the initiatives that could be employed to empower leaders in business to position organisations for competitive advantage and growth.

This chapter therefore concludes the research by highlighting its contributions to the body of knowledge, presenting a conceptual framework highlighting the proposed phases of the innovation process as well as the activities and leadership capabilities employable as drawn from the findings. The chapter further identifies the limitations of the study, the implications for management and academia, as well as recommend areas for future research.

## **7.2 Principal findings**

The findings from the study are reflective of the dynamism and fluidity of managing innovation as well as the need for continuous alignment and realignment of the many and different parts that drive innovation according to Norbom and Lopez (2016). Such a challenge calls for leadership be able to assess the situation at hand and adapt accordingly to advance strategic innovation objectives, while drawing from collective value of the employees in the organisation. This study established that leaders that are continuously developing structures and creating opportunities to be leveraged for innovation, while valuing employees' contribution were effective in driving a culture of innovation in an organisation.

Caridi-Zahavi et al. (2016) argue that in order to advance understanding of the leadership capabilities that foster innovation, there is a need to deeply examine the capabilities required for idea generation separately from those that enhance idea implementation. Drawing on the insights from Caridi-Zahavi and peers, this study contributes to the body of knowledge on leadership capabilities by proposing a conceptual framework for developing a culture of innovation based on innovation initiation, implementation and sustenance as diagrammatically presented in figure 5 and explained in detail within the context of the research question and the key findings from the research.

## 7.2.1 Proposed conceptual framework

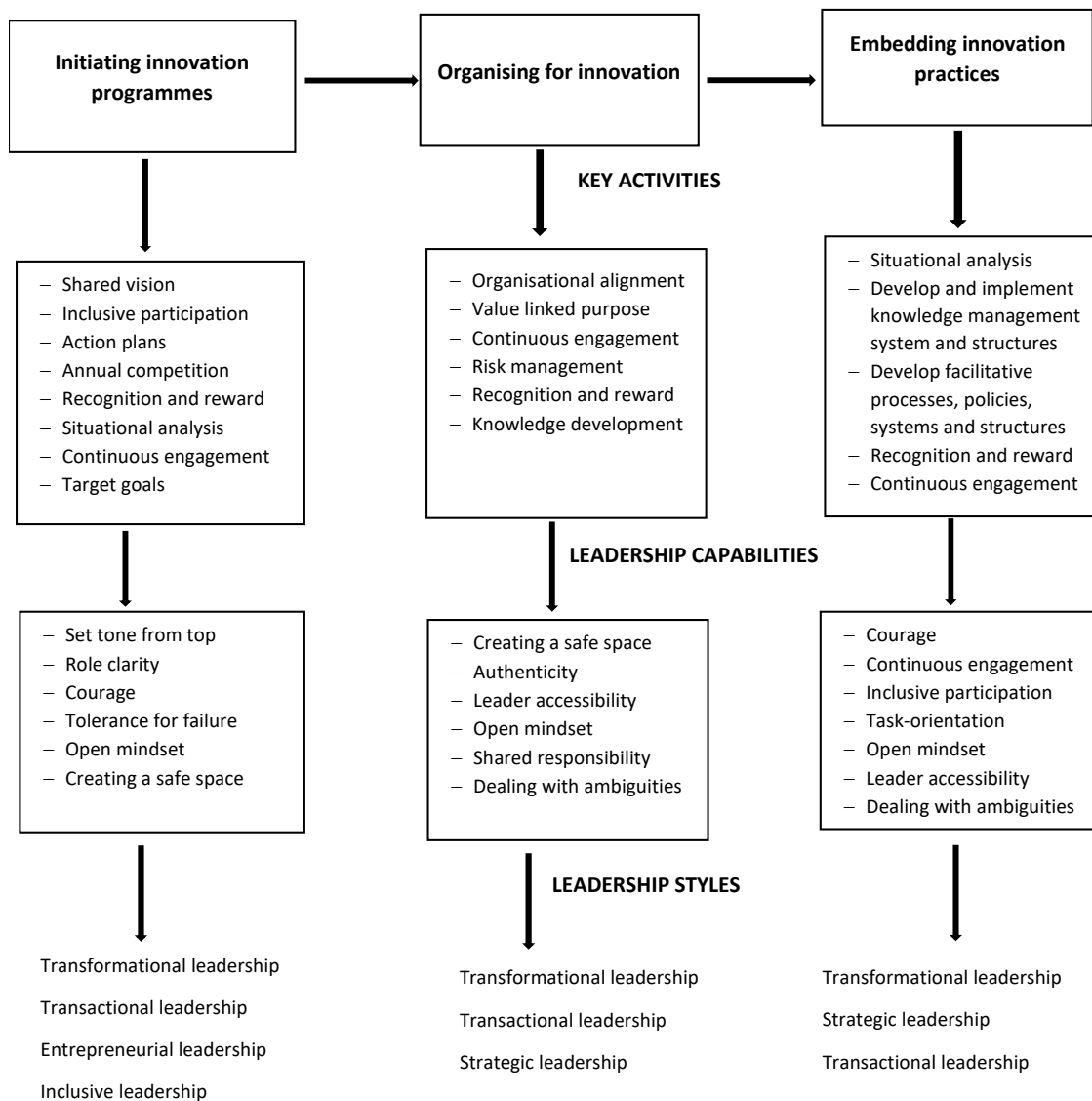


Figure 5: Conceptual framework for leadership capabilities that facilitate innovation Source: Author's own

## 7.2.2 Leadership capabilities

Leadership plays a critical role in driving and fostering innovation (Xie et al., 2018). The principal findings of the study highlighted the need for leaders who are able to balance relationships that enable knowledge creation and sharing for innovative value, as well as a performance-orientation approach as purported by (Caridi-Zahavi et al., 2016). Leadership capabilities are effective as long as supporting systems exist and structures and processes are in place (Norbom & Lopez, 2016), thus highlighting the need for

leadership in the development of systems, structures and processes. As highlighted in chapter 6, leadership capabilities cannot be unidimensional or static if they are to adequately address the challenges for innovation.

The proposed conceptual framework indicates that different leadership capabilities are required at different stages of the innovation culture development process. This touches on different leadership styles. Pivotal in the framework is the underpinning principle that a leader should be able to assess the situation and use the different styles to achieve the set objectives at that point in time. This study contributes to literature by calling for focused research on leadership capabilities for innovation in support of prior calls by (Christensen et al., 2016; Lukoschek et al., 2018)

### **7.2.3 Antecedents of innovative culture**

Unger et al. (2015) recognises corporate culture as an outcome of the acceptance of the shared assumptions and ways of doing things developed to form a particular organisational identity shared through a socialisation process with new members. It is within this context that for an innovative culture to develop, a deliberate and continuous effort has to be invested by the leader through the linking of the innovation purpose to the organisational values, continuous engagement and ensuring that there is organisational alignment with the set vision. At different times, leaders will play different roles, ranging from a guider, protector, mentor and even follower, and the leadership style exercised at any given time will be dictated by the needs of the situation at hand.

### **7.2.4 Organisational capabilities for innovation**

Extending leadership capabilities beyond individuals is key to developing an innovative culture. As Unger et al. (2015) suggest, once a way of doing things is established, the next level is to develop it so that it becomes part of the daily operations of the business. Literature posits that the optimal beneficitation from innovation capability is dependent on an organisation's strategic commitment to innovation orientation (Grabner et al., 2018; Wang & Dass, 2017). Chen (2014) argues that establishing innovation stimulants has no effect on innovation performance except through innovation capacity. Literature is explicit on the importance of organisational innovation capabilities, and the study highlighted the role that leaders can play in developing such capabilities.

### **7.3 Implications for management**

The managerial implications from this study suggest that managers have to be more deliberate in terms of the organisational structuring and mechanisations and their impact on undermining innovation initiatives that may present potential for the organisation if optimally explored. The findings further calls for managers to be aware of how their actions, company policies and processes may undermine innovation objectives despite inspiring goals and innovative leaders. The findings around the broader understanding of innovation suggest that leadership and management development programmes should be operationalised to reflect the contradictions between the desire to be innovation and the actual practices in organisations that undermine the strategic intent.

### **7.4 Implications for academics**

Perhaps what is reflective of the finding is further examination of how the balance between encouraging flexibility and maintaining focus through performance-oriented goals can be attained within a relational context of leaders and followers.

### **7.5 Study limitations**

#### **7.5.1 Selection bias**

The study was focused on companies perceived as being innovative. The findings can be confirmed by deductively testing the exploratory results and extending the approach to include non-innovative companies. The ambiguities added to the body of knowledge as a result of the differences resulting from different capabilities advanced to drive innovation highlights the need to specifically explore leadership capabilities from an entity size and industry specific perspective in order to gain better insights on the type of leadership capabilities that drive innovation within a specific context.

#### **7.5.2 Researcher bias**

The researcher as a tool in the collection of data was not trained to professionally conduct interviews. The lack of experience has the potential to influence the results of the research. Further to that, the research findings and discussion are based on the interpretation and analysis based on the researcher's understanding. This creates a possibility that different interpretations and findings could be reached.

### **7.5.3 Geographic bias**

The study was conducted with companies based in the Gauteng province of South Africa. The geographic bias also placed a limitation on the research findings. Similar and focused studies conducted in different places may aid in advancing better understanding of the leadership capabilities required to facilitate a culture of innovation.

### **7.6 Suggestions for future research**

This being a qualitative study, it cannot be generalised from a sample to a population due to the value attached to the sociocultural context within which the outcomes are drawn. As such, the findings are contextually derived and cannot be generalised. Further, the study only reflects insights from the perspectives of senior managers in organisations. Employees who are the recipients of leadership influences and an integral part of the innovation process may hold different views which could add value to the body of knowledge if explored further. Future research may thus benefit from gaining insights on the perspectives of employees in terms of the leadership capabilities that facilitate a culture of innovation.

The inconsistency with the finding on funding as a requirement is perhaps indicative of the context that depending on the size of the organisation funding is not viewed as a challenge, points an attribute that may be worthy of further examination to advance academic understanding on leading for innovation. Understanding contexts within which funding is viewed as a constrain in creating a culture of innovation will enrich literature on the subject.

### **7.7 Conclusion**

The findings reflect the extent to which leaders are able to facilitate innovation is subject to the broad understanding within the organisation, aligned and supportive organisational climate as well as the existence of the supporting systems, structures and processes all working in concert. Further evidence to the effect that leaders will have to adapt their leadership styles according to the needs of the situation at a given point in time exists. This study not only expands knowledge on leadership in the context of developing a culture of innovation but also provides practical lessons for organisations when it comes to executive recruitment and training. In particular this study enriches the knowledge on leadership capabilities and the contextual mechanisms used to engender innovation.



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## Appendices

### Appendix 1: Consistency matrix

<b>Proposition/Research question /Hypotheses</b>	<b>Literature review</b>	<b>Data collection tool</b>	<b>Analysis technique</b>
What leadership activities enable innovative culture in an organisation?	2.4 Leadership 2.4.1 Leadership styles 2.4.2 Leadership capabilities	Semi-structured interview Interview guide section: sub question 2, interview questions (2.1-2.4)	Thematic analysis
What are the antecedents of innovative culture?	Section 2.3 Culture Corporate innovation culture	Semi-structured interview Interview guide section: sub question 1, interview questions (1.2-1.3) sub question 3, interview questions (3.1)	Thematic analysis
How do leaders build innovative capabilities for continuous innovation in organisations?	Section 2.3.2 Innovation capabilities 2.3.2 Innovation capabilities determinants	Semi-structured interview Interview guide section: sub question 3, interview questions (3.2-3.4) sub question 4	Thematic analysis

## Appendix 2: Research instrument – interview guide

Start time:

Industry/Sector:

End time:

Title:

Date:

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**Research question:** what capabilities should a leader have to facilitate an innovative culture in an organisation?

**Sub question 1:** What is your understanding of innovation?

- 1.1 How do innovation processes take place in your organisation?
- 1.2 What constrains innovation in your organisation?
- 1.3 What facilitates innovation in your organisation?

**Sub question 2:** What leadership activities facilitate innovative culture?

- 2.1 What is the role of leadership in stimulating and executing innovation?
- 2.2 Describe your organisation's culture towards innovation and the role of leadership in advancing that culture
- 2.3 Tell me about the leadership practices and methods that contribute to innovation in your organisation?
- 2.4 How do leaders stimulate and foster innovation in your organisation?

**Sub question 3:** How do leaders build innovative capabilities for continuous?

- 3.1 Under what conditions are employees engaged to achieve innovation outcomes?
- 3.2 Tell me about what drives innovation in your organisation?
- 3.3 How are employees motivated to be innovative?

**Sub question 4: Organising innovation teams for scale?**

- 4.1 How are teams organised to enable innovation throughout the business?

**Appendix 3: Interview participant informed consent letter**

**INTERVIEW CONSENT FORM**

**Research topic:** Leadership capabilities that foster innovative culture

**Researcher:** Clancinah Baloyi, MBA 2019, Gordon Institute of Business Science

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I am currently a student at the University of Pretoria’s Gordon Institute of Business Science and completing my research in partial fulfilment of an MBA.

I am conducting research on leadership capabilities for innovative culture, and am trying to find out more about the type of capabilities that leaders possess to foster innovative cultures in organisations. The interview is expected to last about an hour, and will help us understand how leaders foster cultures of innovation in organisations.

**Your participation is voluntary and you can withdraw at any time without penalty.**

All data will be kept confidential and where direct quotations may be used, the data will be reported without identifiers for anonymity. If you have any concerns, please contact my supervisor or me. Our details are provided below.

*Clancinah Baloyi*

*Dr Flip Schutte*

*98209435@mygibs.co.za*

*pjwschutte@telkomsa.net*

*0829753298*

*0829250959*

Signature of participant: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of researcher: \_\_\_\_\_

Date: \_\_\_\_\_

## Appendix 4: Ethical clearance letter

**Gordon  
Institute  
of Business  
Science**  
University  
of Pretoria

18 July 2019

Baloyi Clancinah

Dear Clancinah

*Please be advised that your application for Ethical Clearance has been approved.*

*You are therefore allowed to continue collecting your data.*

*Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained*

*We wish you everything of the best for the rest of the project.*

*Kind Regards*

GIBS MBA Research Ethical Clearance Committee

## Appendix 5: Thematic analysis code mapping

Research question	Number of codes	Category	Sub-category	Theme
What leadership activities enable innovative culture in an organisation?	8	Creating a sense of community	Relationship oriented behaviours	Leadership behaviours
	3	Leader accessibility		
	6	Courageous leadership		
	4	Planning for action	Task oriented behaviours	
	3	Openness to ideas and being supportive		
	4	Leader knowledge		
4	Leadership age			
What are the antecedents of innovative culture?	6	Innovation standards	Nature of innovation	Broad understanding of innovation
	4	Dealing with ambiguity		
	4	Innovation yield span		
	4	Unifying mission		Purpose as driver
	6	Expressed desire for innovation		
	3	Cascading the vision down		Organisational alignment
3	Continuous engagement for shared understanding			
4	Purpose linked values			
How do leaders build innovative capabilities for continuous innovation in organisations?	5	Everyone an innovator	Inclusive participation	Supportive environment
	4	Collaboration and co-creation		
	2	Innovation a journey		Enabling practices
	7	Structural support		
	9	Structuring for innovation		
	6	Resource allocation		
	10	Learning and development		Knowledge management
	5	Employee empowerment		
	6	Awareness and adaptability		External environment changes
	4	Customer focus		
	10	Measuring value		Measuring and rewarding success
	3	Rewards and recognition		
<b>Total number of codes</b>	<b>137</b>			