

DRIVING ORGANIZATIONAL INNOVATION THROUGH TRANSFORMATIONAL LEADERSHIP

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Introduction - Innovation is an essential factor for the success and for gaining competitive advantage in any organization. It encourages all organizations to improve the quality of their products/services through constant efficiency and effectiveness in their operation. This means that organizational innovation influenced by the views of the managers that focus on innovation. Therefore, the most important factor that affects the organization to be innovative is leadership style. Transformational leadership – as a type of leadership style- is proposed to highlight the necessity of change and to promote creativity and innovation in the organization. Moreover, transformational leaders also indirectly support innovation via influencing the followers' commitments and building an organizational atmosphere that motivates them to generate new ideas and to sustain in the long term. Transformational leadership can be observed when both the leader and followers had reached the highest levels of motivation and morale among them. Additionally, most organizations in both sectors (public and private) are seeking to achieve the innovation which contributes to the survival over the long term. In other words, it is essential that these organizations devote all their efforts and engage themselves in supporting continuous processes of innovation. For this, UAE government seeks to improve governmental sector performance through applying huge change on its' processes and principles. Those changes are focusing on organizational innovation which we are looking to support through transformational leaders. In addition, most researchers in this area are paying attention to the private sector or examined in Western countries only.

Purpose of the study- This research aims to provide a deeper understanding of the extent that transformational leadership can affect the organization to be innovative. To understand this relationship, three propositions will be developed through literature survey. This paper will further examine whether culture, followers' creativity or organizational learning have any influence on this relationship.

Design / methodology / approach- To propose a conceptual model, this research provides an overview of literature on transformational leadership and organizational innovation. This review of literature develops propositions that relate transformational leadership with the organizational innovation through three factors: culture, followers' creativity and organizational learning.

Research Questions- The research questions are:

RQ1: How can the components (dimensions) of the transformational leadership behavior promote innovation on the organizations?

RQ2: To what extent the linkage between transformational leadership and organizational innovation can be affected by culture, followers' creativity and organizational learning?

Findings- The propositions demonstrate that transformational leaders have potential to affect their organizations to be innovative using some factors. These findings encourage managers and leaders to inspire their followers, learn and acquire the transformational leaders' behaviors in order to enhance the innovation of their followers and to achieve organizational innovation. The Findings also provide evidence that transformational leadership should be the subject of management and training. This in turn will improve the innovation performance and development of the UAE.

Research limitations- This research have two following limitations: First, this model is a conceptual one and not been empirically validated yet in Arab countries. Second, research relating to transformational leadership and organizational innovation has been limited on most of Arab countries even on Non-Western countries, which will present different cultural characteristics from Arab countries.

Research Implications:

Practical / managerial implications- Organizations should invest in transformational leadership training and in the selection of managers and supervisors with this leadership style. Such investment may actually help to improve innovation, promote better work environment and achieve the success and survival of organization in long term.

Public Policy Implications:

Originality/ value- This research is one of the first to investigate transformational leadership and its' effects on organizational innovation in the UAE. In addition, this research can be added to leadership literature as it expanded the concept of transformational leadership as a precedent for the creation of innovation in the work environment.

Keywords: Transformational leadership – culture – Followers' creativity – organizational learning - organizational innovation.

Paper type: Conceptual research paper.

1. Introduction

Peter Drucker said: "As the trees are rotten from the head and die, organizations are suffering from degradation and destruction when the managing director of that organization can't manage it" (Hassan & Faezeh, 2011, P.422). This statement reflects the importance of management as a concept focusing on the role of the manager to influence all phases of the organization; without it no organization can survive and grow. It emphasizes the need for continuity of management of each organization.

Meanwhile, most organizations defy a dynamic environment distinguished by rapid change in technology, globalization and shortening product life cycles (Garcia-Morales, Llorens-Montes, & Verdu-Jover, 2007). For this, these organizations are trying to develop unique way to perform better in order to grow and survive. However, it will not be able to reach this goal unless it has a manager acting as a leader that overcomes these changes and has the ability to motivate the employees to find innovative ways for achieving the organizational goals on long term; this confirms Drucker argument (Husna & Idris, 2010). Some previous researchers like Damirch, Rahimi, & Seyyedi (2011) noted that the best solution to be more flexible which will as a result to face such changes is implementing innovation in the workplace. Innovation is the main factor that affects the success and competitive advantage of organizations. Thus, it encourages all organizations to improve their products/services and increase the efficiency and effectiveness which will lead to long term survival (Gumusluoglu & Ilsev, 2009 a). However, many researchers have sought to determine the factors that can affect the organizational innovation. Of these, some researchers found that the type of leadership style is the most important factor effecting the innovation in any organization (Jung, Chow, & Wu, 2008). Sabir, Sohail, and Asif Khan (2011) and other researches stated that Burns (1978) explained two types of leadership styles; transformational leadership and transactional leadership. Transformational leadership

is proposed to highlight the necessity of change and to promote creativity and innovation in the organization, while transactional leadership is seen as focused on the status quo and fostering performance on well-defined tasks to meet set performance objectives (Eisenbiess, Knippenberg, & Boerner, 2008). Although these studies have produced valuable insights, particularly the transformational behavior can directly affect the organizational innovation than other leadership styles (Mozhdeh, Wan, & Amin, 2011).

According to Jaskyte (2004) transformational leaders motivate their employees to contribute and achieve their organizational goals through the four unique behavioral components: charisma, intellectual stimulation, consideration, and inspiration. Moreover, transformational leaders also indirectly support innovation via influencing the followers' commitments and building an organizational atmosphere which motivates them to generate new ideas and sustain a long term survival of the organization (Avolio, Zhu, Koh, & Bhatia, 2004). As a result, these employees are satisfied while working and can enhance extra efforts as work outcomes through innovation which will achieve the success of the organization (Elenkov & Manev, 2005). Consequently, to achieve the purpose of this study, the focus will be on transformational leadership as a type of leadership styles that influences the organizational innovation.

Additionally, most organizations in both sectors (public and private) are seeking to achieve the innovation which contributes to the survival over the long term (Prajogo & Ahmed, 2006). Furthermore, several previous researches in this area have been examined in Western countries and limited in Arab countries. As well, the majority of these empirical studies are paying attention to the private sector (Sarros et al., 2011).

Despite public sector organizations across the world are facing many challenges to exercise the functions of government and public service, few empirical studies focused on the public sector (Hartley, 2005). Because the existence of such challenges, public sector organizations require new and innovative ways to deal with the complexities associated regarding these challenges (Borins, 2002). Therefore, it is essential that these organizations devote all their efforts and engage themselves in supporting continuous processes of innovation (Hartley, 2005). Moore and Hartley (2008) noted that dealing with the challenges in the public sector need leadership strategies based on the understanding and analysis of the available approaches of the leadership as well as leadership style can lead to innovation at the end.

As a result of all above, UAE government seeks to improve governmental sector performance through applying huge change on its' processes and principles. Those changes will require creating an innovative organization which will be supported in this research through transformational leadership. In the UAE, especially Dubai, there are many organizations in public sector that have adapted the organizational innovation. Recently; the government focuses on the subject of innovation through the Excellence Awards and leadership programs (Al Marashi & Bhinder, 2008). Hence, this underscores the importance of innovation as a subject and the necessity emphasized access to organizational innovation in public sector. Therefore, this research studies the impact of transformational leadership on organizational innovation and provides a deeper understanding of how can this kind of leadership style affect the organizational innovation. As well, it presents a set of propositions and adds a new support to the importance of transformational leadership and organizational innovation.

The remainder of this research is organized as follows: The next section will move to the literature to know more deeply about the transformational leadership, organizational innovation and the relationship between them. Then, some propositions will be discussed about the relationship between the transformational leaders and organizational innovation and the importance of this area of research. Finally, the research will end with a conclusion of the main findings and some implications ending with the limitations and recommendations for future researches.

2. Literature Review

Leadership is the art of influencing and guiding the followers properly to achieve common goals to reach the organization's success (Marki & Scandura, 2010). According to Boseman (2008) literature on leadership displays the pattern stages, which starts from focusing on the attributes and characteristics of a leader, then highlighted on behavior and finally confirms on the contextualized nature of the leadership. Therefore, previous studies have identified different types of leadership styles that contribute to building leaders to manage their organizations (Hirtz, Murray, & Riordam, 2007). The most important study emerged with the model developed by (Burns, 1978) which have two types of leadership styles based on Weber's (1947) seminal work on charismatic leaders: The transactional leadership and the transformational leadership (Mozhdeh et al., 2011). Boseman (2008) pointed out that Burns was the first researcher explained the contrast between transformational and transactional leadership.

Transactional leadership involves the relationship between the leader and his followers where followers receive wages to comply with the wishes of their leader (Boseman, 2008). Moreover, this type of leadership covers contingent reward and management by exception (Mozhdeh et al., 2011). In contrast, according to Damirch et al., (2011) transformational leadership can be observed when both the leader and followers had reached the highest levels of motivation and morale among them. This is due to: the power of their personality and the clarity of their vision, the ability of the transformational leader in influencing the followers to change their expectations and perceptions, and the continuation of the leader to motivate these followers to work and achieve common goals. For the purpose of the present research, the focus will be on the transformational leadership and how can this type of leadership style affect the organization to be innovative.

Transformational leadership

Transformational leadership followed in evaluation context based on the development of the theory of transformational leadership over the time (Boseman, 2008). Sabir, Sohail, and Asif Khan (2011) and Ibraheem, Mohammad, Al-Zeaud, and Batayneh (2011) in their studies stated views of some researchers regarding the transformational leadership since its inception and evolution of the concept as follows:

The theory was started by Burns (1978). His idea was based on the assumption that this transform raises the level of motivation and morale of the leader to sacrifice his own interest over the group interest, which has a clear impact on his followers.

Bass (1985) reinforced by this theory through presenting transformational leadership in context of formal theory, model and factors measurements.

Tichy and Devanna (1986, 1990) explained the characteristics of the estimation of transformational leadership which contain: qualities, values, learning and ability of visionary, openness and courage. According to them, transformational leadership is handled during the knowledge of the need to create a new vision and institutionalizing change.

Kouzes and Posner's view (1988) based on mutual trust between the leader and followers. This mean the followers involved to share a common vision with their leader because they trust him. Also, researchers found that executives who have the skill of persuasion to their followers to join them follow the path: the vision-involvement-persistence (VIP) model.

Avolio and Bass (1988, 1994) added some aspect to the transformational leaders' skills include idealized influence, inspirational leadership, individualized consideration and intellectual stimulation.

Parry (1996, 1998) mentioned some major characteristics of leadership that may influence the effectiveness and efficiency of the transformational leaders including creativity, team orientation, and appreciations, teaching power, responsibility and recognition.

Research has pointed out that lower employee turnover rates and higher productivity, job satisfaction and motivation as a result of the ability of transformational leader to influence his followers (Deluga, 1992; Marshall, Rosenbach, deal, & Peterson, 1992; Medley & Larochelle, 1995; Masi & Cooke, 2000; Sparks & Schenk, 2001; Bass, Avolio, & Berson, 2003).

According to Sivanathan and Fekken (2002) transformational leaders always seek to confirm the intrinsic motivation of their followers and keen to develop their personality. This is in addition to the permanent aspiration to reconcile between their followers, the organizational needs and the desired results. Moreover, the transformational leaders have the ability to inspire their followers to exceed the expected performance (Damirch et al., 2011). Bommer, Rubin, and Baldwin (2004) pointed out that transformational leaders encourage their followers to accept the organizational change. As well as, the transformational leaders usually show their higher agreement on the strategic objectives of the organization. This can help to promote satisfaction and motivation among employees, thereby reducing the work problems (Schepers, Wetzels, & Ruyter, 2006).

In addition, Beugre, Acar, and Braun (2006) found during a study of 78 managers that transformational leaders have a direct and positive impact on the level of expected performance in the organization where they are characterized by efficiency and the ability to unite their followers, change beliefs and alter their goals in line with the objectives of the organization. In addition, Gumusluoglu and Ilsev (2009 a) found through their study that this type of leadership style has a strong influence on creativity and innovation through employees and organization. Thus, managers at higher level who are exercising the transformational leadership will lead to a competitive advantage for the organization (Riaz & Haider, 2010). Currently, most organizations are complex and dynamic work environment, so the transformational leaders are the ideal agents of change that could help their followers and lead them to overcome uncertainty times (Sabir et al., 2011). This will required building innovative organization which able the

transformational leader to achieve his goal in inspiring the followers and encouraging them to think in creative ways (Lam, 2011).

After knowing the importance of transformational leadership in the organization and supported with some previous researches. It is the time to confirm this importance by highlighting the dimensions of transformational leader that help him to influence the followers and create organizational innovation.

Dimensions of Transformational leadership

Laohavichien, Fredendall, and Catrell (2009) and many other researchers agree that transformational leadership has four dimensions as (Avolio, Bass, & Jung, 1997) mentioned in their study. These dimensions are idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. Moreover, many researchers observed through their empirical studies that leaders who exhibit these four behaviors are able to: adapt the value of followers and norms bases on the organizational goals, contribute in changing personal and organizational concepts and motivate followers to exceed their expectations above the initial performance (e.g., Voon, Lo2, Ngui, & Ayob2, 2011; Laohavichien et al., 2009; Nicholsonll, 2007; Jung et al., 2003). In addition, some researches described the first dimension which is idealized influence as charisma while a few researches stated the first two dimensions, idealized influence and inspirational motivation, as charisma (Birasnav, Rangnekar, & Dalpati, 2010). The Following is description for each of these dimensions.

Idealized Influence

Gregory, Moates, and Gregory (2011) explained that the concept of idealized influence points to the degree to which the leader inspire his followers through moral behavior which will lead as a result to a permanent commitment and loyalty to their leader in different circumstances. As well as, Voon et al., (2011) stated that this concept refers to the attention of leaders on their followers in terms of encouragement, guidance and motivation. Moreover, the leaders with this dimension gain their followers respect and trust by doing the right thing and focus on their achievements through the adoption of strategies appreciation and the adoption of open communication with them (Humphreys & Einstein, 2003). Also, leaders must deal with their followers in a manner consistent with the values, principles and ethics (Voon et al., 2011). According to Dionne, Yammarino, Atwater, and Spangler (2004) the leader with this dimension highlighted the formulation and articulation of vision in order to achieve the common goals of the organization. Kuepers (2011) also stated that transformational leader, who characterized this behavior has the ability to exert power, not only in the ideal way, but the mutual influence between him and his followers through the exercise of mutual respect, trust and commitment to high moral standards. Additionally, Ladkin (2006) mentioned that this behavior is linked to charisma which enables the leader by their capabilities to influence the extent of their response and to realize their envisioned imagination.

Inspirational Motivation

According to Judge and Piccolo (2004) inspirational motivation describes the power of leaders' vision and the ability of this leader to encourage his followers in the organization to achieve the vision through the creation of individual spirit and team. It also refers to the way leaders motivate and inspire their followers by providing meaning and challenge to their work (Humphreys & Einstein, 2003). Moreover, Voon et al., (2011) found that leaders with this dimension tend to pay attention to the differences between their followers and lead them towards achieving desired goals. This dimension highlights the leaders in how to exchange challenges with followers as well as it provided process and feedback donor of meaning through the identification of targets in a way to attract followers and intrinsic motivational energies (Kuepers, 2011). Further, the transformational leadership depends on the creative qualities of self-motivation of the leader to prevent and reduce the lack of motivation while striving mutually beneficial of both parties (Kupers & Weibler, 2006).

Intellectual Stimulation

This dimension explains how to enhance the followers' innovative and creative skills by the leaders which is done through providing solutions to the problems in new ways without any criticism of the errors that may occur. Moreover, it leads in turn to motivate the employees and boost confidence, which have an impact in achieving the goals of the organization in an innovative way (Birasnav et al., 2010). In addition, Kuepers (2011) pointed out that by this dimension the transformational leader and his followers are considered as catalysts for new insights through generating new ideas and different ways of approaching challenges. Accordingly, this can occur via mutual

stimulation, nurtures each other, and takes unanticipated situations as opportunities for learning and creativity (Judge & Piccolo, 2004). Thus, the transformational leader has an impact on employee motivation and he always call them to practice deliberate activities which are interesting, provocative, and suggestive (Kuepers, 2011). Moreover, the intellectual stimulation portrays the leadership behaviors that are related to provide the followers with decision making information, and encourage them to question the organizational values and norms (Judge & Piccolo, 2004). As a consequence, leaders can develop generative and exploratory thinking of their followers and stimulate the innovation from them (Nicholson, 2007). They also encourage followers to try new approaches and develop innovative ways of dealing with organizational issues (Voon et al., 2011; Rafferty, & Griffin, 2004).

Individualized Consideration

According to Judge and Piccolo (2004) individualized consideration refers to the concerns of the leader regarding the followers' needs and confirms its' readiness to provide all necessary support of developing and helping them to push their career. It emphasizes the role of leader in leading, developing the followers and focusing on their needs in order to realize achievement, growth, and expand learning opportunities (Birasnav et al., 2010). Moreover, leaders with this behavior provide a supportive climate and treat their followers as individual not just members of a group which in turn will contribute to increase employees' motivation to focus more and do their jobs better (Nicholson, 2007; Rafferty, & Griffin, 2004). Practically, this dimension requires the leader to sympathize with his followers, listen actively to details and encourage them to express their feelings which help to create opening communication between each of them (Kuepers, 2011). This includes spontaneous, being always on mutual respect and celebrate all the diverse and individual contributions, whether by a leader or followers (Jordan, Messner, & Becker, 2009).

All of these dimensions require being combined and integrated together to achieve the purpose of transformation (Ladkin, 2006). Kuepers (2011) defined transformation as aesthetic respond to the connecting pattern which in turn will lead these dimensions towards creative participation in cases of emergency and re-development. Therefore, the transformational practice can be realized, when considering the relationship between leaders and followers not only as transactional calculated but also as reciprocal responsive (Jordan et al., 2009).

After this brief information regarding the transformational leader and his dimensions that influence the followers and organization positively, the next section presents the issue of organizational innovation as follow:

Organizational innovation

Innovation is known as the buzzword for all organizations in recent years (Damirch et al., 2011). Hartely (2005) explained the reason behind this interest, because it considered as important key for survival of any organization, whether public organizations that need to improve the provided services or companies that compete for market share or profits. This demonstrates the imperative need to innovate or in Coopers words "It's War: Innovation or die" (Eveleens, 2010). In addition, it is important to understand the main objective of innovation before going to the definition which summarized in the long term survival, ideas and who develop, react and modify these ideas (Mozhdeh et al., 2011). The concept of innovation has raised the attention of a large number of researchers in the past (Janssen, Van der Vliert, & West, 2004). Gumusluoglu and Ilsev (2009 a) pointed out that this concept considered for the first time by (Schumpeter, 1934) who acknowledged it by his description of the innovation process as the creation of new brand and its impact on economic development. Since then various researchers described this concept differently because of the innovation importance as a key factor for the survival of the organization over the long term (Khan, Rehman, & Fatima, 2009). Some of the previous researches considered innovation as a process to solve problems that may face the organization (Sarros et al., 2008). Moreover, innovation considered as a form of learning or as a mean that can respond to a variety of environmental changes through organizations (Ho, 2010). A few researchers define innovation as an outcome and others define it as a more complex process (Sarros et al., 2011). Also innovation can result in the reductions of unit cost or enhanced customers desire to pay a higher price for differentiation (Munsh, et al., 2005). In addition, innovation means the adoption of an idea or behavior that is new to the organization (Wejnert, 2002). It refers to change or as an activity which aims to develop the idea in order to carry out, react and modify if necessary (Khan et al., 2009). Additionally, Two key approaches were identified from the past literature; object-based: depending on innovation itself such as new product development, classification of technologies and innovative business development while subject-based: depending on the subject that implement innovation such as country, industry and organizations (Imran, Saeed, Anis-ul-Haq, & Afsheen, 2010).

Organizational innovation refers to the composition of novel and useful products/services in organizational environment (Gumusluoglu and Ilsev, 2009 a). Usually, organizational innovation is checked in several areas, like political science, marketing, the management / strategy and entrepreneurship (Ho, 2010). Vigoda-Gadot, Schwabski, Shoham, and Ruvio, (2005) viewed organizational innovation as a multi-dimensional organizational trait, consisting five dimensions: creativity, risk-taking, and openness to change, future orientation, and pro-activeness. According to Ho (2010) organizational innovations in disciplines like administrative processes, management practice and formal organizational structure are outcome of technological progress which leads some researchers to focus more on the adoption process as the phenomenon of interest. Recently most researchers focused on the social implications of innovation because this innovation considered as a kind of social process which leads organizations to go through series of main changes (Ho, 2010). These researchers also indicate that the act of innovation has clearly social implications at the level of personal, organizational and global (Popadiuk & Choo, 2006).

Existing literature presents different classifications of organizational innovation. For example Sarros et al., (2008) mentioned that there are three emergent categories of the organizational innovation literature: the determinants of innovation, the process of intra firm diffusion, and the inter-firm diffusion research streams. While, Pacham and Zhang (2006) suggested two types of innovation: organizational innovation and technological innovation. Moreover, organizational innovation can be classified into two categories: technological innovation and administrative innovation (Ho, 2010). Whereas Pasche, Magnusson (2011) classified organizational innovation into two type: radical innovation which requires completely new knowledge and resources (competence-destroying), while incremental innovations builds upon existing knowledge and resources within a certain company (competence-enhancing). Furthermore, a number of researchers position organizational innovation into three categories. For instance, Popadiuk and Choo (2006) sorted organizational innovation into three categories: technological innovation, market innovation, and administrative innovation. Similarly, Ho (2010) classified organizational innovation into three categories: Market innovation, product innovation and administrative innovation. In addition, Subramaniam and Youndt (2005) identified four categories: individual, team, climate and organizational innovation.

Eveleens (2010) stated that innovations have five dimensions; the degree of novelty of innovation, size and type of organization, place of innovation and the environment in which innovation was developed. The first dimension is the degree of novelty which refers to all assigned innovations from incremental to radical (Eveleens, 2010). Second, the size of organization means if the organization is small or large one (Hartely, 2005). Third, the type of innovation and this can be product, process or service innovation (Albury, 2005). Forth, the place of innovation which means whether the innovation tool place in a public organizations or private firms (Eveleens, 2010). The last dimension measured the stability of the environment to determine to what extent innovation can affect the leadership style (Hartely, 2005).

In conclusion, because of the present direction of the social influence in current leadership, it seems obvious that innovation could be related to the qualities of transformational leadership (Nicholson, 2007). Therefore, next section addresses the nature of the relationship between transformational leader and organizational innovation supported by some previous studies that confirm and highlight this relationship.

Transform and innovation: both sides of the coin

Organizational innovation influenced by the views of the managers that focus on innovation (Laohavichien et al., 2009). This confirms that managers when they; consider the concept of innovation as a value, provide the necessary resources, provide behavioral support and upgrade for employees to accept new ideas and organizations can benefit from these opportunities to explore new issues, will lead them to appear high level of management understanding (Damirch et al., 2011). As well as, it will leave a strong impact on their followers which gives sense of trust and respect, estimate the leader, reflects the ability to perform more than what expected, be more ambitious and do their best to achieve the objectives of the organization (Mozhdeh et al., 2011).

Transformational leaders who are considered as a source of inspiration for their followers, able to motivate them which lead to support the benefits of organization, able to help their followers to reach the best performance, thus impacting positively on the organization (Garcia-Morales, Llorens-Montes, & Verdu-Jover, 2007). Moreover, they are showing a lot of attention to the needs of their followers and ways to improve which increase the interaction of them and change their view of things through the motivation and the encouragement to achieve the objectives of the organization (Laohavichien et al., 2009). As well as, transformational leadership has been theoretically and empirically linked to a range of organizational outcomes (Kavanagh & Ashkanasy, 2006). Despite the importance of leadership in stimulating innovation but there is lack of research which address this relationship between the leadership and innovation (Oke, Munshi, & Walumbwa, 2009).

Jung et al., (2003) argued that transformational leadership improve innovation by (a) organizing employees' personal value systems which increase the levels of motivation toward higher levels of performance and (b) encouraging employees to think in creative way. These leaders have a vision that encourage their followers boost their desire to perform better than expected from them and challenge them to adopt innovative approaches rather than imitating from old once in their work. The resulting high level of motivation will enhance organizational innovation (Mumford & Licuanan, 2004). Moreover, when a leader encourages followers' efforts to solve old problem in new ways, the leader provide employees with opportunities to explore, investigate and experiment (Nicholson, 2007). Previous empirical literature confirms the relationship between transformational leadership and innovation for example: Chen and Lee (2007) found transformational leadership enhanced the innovative abilities of the employees and organization where Khan et al., (2009) claimed that transformational leaders encourage creative ideas that promote innovations within the organizations.

Damirchi et al., (2011) examined the impact of transformational leadership on innovation at the organizational climate through 150 workers of Ardabil Province SMEs in Iran. They found that the four dimensions of transformational leadership positively related to the organizational innovation. They stated that transformational leaders offer a situation for organizational innovation through their ability to: (1) improve the workers' need and pay attention to them, (2) increase the level of innovation through designing realistic and trust to their followers towards organizational goals, (3) provide the followers with motivation, innovation and the feeling of independence, as well increase the sense of qualification, identity and adequacy, (4) increase the followers' insistence to find different solutions by enhancing their qualification and adequacy, and educate and teach the followers on how to use their personal and organizational capacities to increase innovation.

Additionally, Jung et al., (2003) were studying 32 Taiwanese companies specializing in the electronics industry. Their study proposes four hypotheses regarding how top managers' leadership styles directly and indirectly affect their companies' innovation through two moderating variables: empowerment and organizational climate. Their analysis yielded a direct and positive link between transformational leadership and organizational innovation. These researchers suggested that the leader who has the ability to change and influence in the work environment and organizational culture is able to influence and motivate followers to achieve organizational goals.

Furthermore, Gumusluoglu & Ilsev (2009 a) conducted a study of 163 employees and 43 managers from micro and small-sized Turkish entrepreneurial research to determine the impact of transformational leaders on innovations. Their study reviews the influence of transformational leadership on organizational innovation and both internal and external support for innovation as contextual conditions impact on this relationship. The finding provided support for the positive influence of transformational leadership on organizational innovation. They found a significant, direct, positive and a serious effect between transformational leadership and innovations. Moreover, external support for innovation significantly was moderating this relationship, while internal support for innovation was not significant. This study demonstrates that transformational leadership is an important factor which may affect the organizational innovation and promote managers to get involved in transformational leadership behaviors to enhance organizational innovation.

In summary of the above, creating an innovative environment in the organization is vitally important and needs a leader that has the ability to inspire, motivate and influence his followers as well encourages them to use different approaches in solving any organizational issues and gives them the confidence to take the initiative for any change that would preserve the stability of the organization on the long term. This has been confirmed by previous studies which showed the imperative of the relationship between transformational leadership and organizational innovation.

Now, after all of the above, next section will display some variables that may affect this relationship positively by reviewing some propositions.

Transformational leadership and organizational innovation - conceptualization and operationalization

This part of the research offers a number of propositions, which reflect the impact of transformational leadership on organizational innovation. In every organization, there are many factors that may lead to the strengthening of this relationship. Consequently, these propositions focus on the importance of this area of study and the relationship between the two concepts during some variables that may affect them.

Crafting leaders the innovation through culture

All previous studies agreed on one point: similar cultural backgrounds produce similar thinking and behavioral patterns (Fraser & Zarkada, 2002). The organizational culture shapes organizational processes; consequently influencing the development of the organizational climate (Jaskyte, 2004). By this factor, most of organizations and leaders are trying as much as possible to make a natural and basic framework, which helps the organization and employees to accept the creativity and innovation during all the changes that may occur to the organization as a basic cultural norm (Mozhdeh et al., 2011). Moreover, culture is mainly important in the case of transformational leadership because leaders can't understand the needs of their followers without understanding their values, norms, and beliefs (Amabile, Schatzel, Moneta, & Kramer, 2004). Jaskyte (2004) stated that through the culture, the vision of the leader can be clear and can help to build essential climate to reach the organizational innovation. In addition, transformational leaders can transform organizational culture through training, educating, promotion and other mechanisms that help to improve employees commitment and loyalty for innovation in addition to create the atmosphere for innovation and motivate employees in order to suit the objectives of the organization (Jaskyte, 2004). Moreover, Mozhdeh et al., (2011) believes that these qualities and dimensions of leader in stimulating their followers are proving the need for organizational culture for evaluating the relationship between the leadership and innovation. In addition to this, some previous researches agreed to consider that the organizational culture is leading innovative behavior to stimulate the individuals within the organization (Martins & Martins, 2002). Similarly, Mulla (2010) pointed out that researchers through cultures found that transformational leaders display the four dimensions of behaviors: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. Following a brief summary of what has been mentioned on this issue:

Transformational leaders are individuals who have highly charismatic and can be trusted to do the right thing which contribute to attract the followers and inspire them. Therefore over time the followers become more innovative, which increases the level of organizational innovation.

They have the ability to provide an inspiring vision, which motivate followers to look beyond the normal activities of their jobs and shows how the individual can work towards it in the current work. When employees believe that their work in the context of a larger and more meaningful, there are quite involved in their work and this involvement releases massive innovation in the organization.

This type of leaders encourage followers to think independently and search new solutions for the problems that exist, as well obligate them to use their own thinking and their own judgment about the proper course of innovative action.

Finally, they recognize the followers as human beings, orient them if necessary, appreciate their ideas and efforts, treat all of them equally and encourage the organizational commitment that generate mutual respect and confidence between both of them.

Furthermore, Kavanagh and Ashkanasy (2006) argued that the concept of organizational climate can be considered as the expression of cultural practices that arise because of some contingencies in the internal and external organizational environment. This view supports the "climate-for" innovation approach by (Ostroff, Kinicki, & Tamkins, 2003).

Regarding Sarros et al., (2011) study of 2,380 members from the Australian Institute of Management (AIM) organizational culture was examined as a mediator of the relationship between the six transformational leadership factors and climate for organizational innovation. Moreover, the research examined the support of innovation rather than organizational innovation, because it is a useful proxy and it is difficult to measure of innovation. As what was mentioned in the literature review of this research there are two schools of thought about leaders and culture. First one is functionalist school which claimed that leaders are the architects of culture change and the second school is anthropological school of thought which saw the leaders are a part of culture and able to create a culture. They found that vision is a major facet of transformational leadership and is strongly associated with organizational culture and innovation. In addition, they found that articulating vision can achieve results only when its development involves influencing the workers and clients of the organization. Also, they found that transformational leadership is associated with organizational culture, primarily through the processes of articulating a vision, and through the setting of high performance expectations and providing individual support to workers and innovation for the organization. Furthermore, the findings supported the two school of thoughts of transformational leaders in which they influence followers innovation and could be positively affect to innovative them self. As well as the findings suggested that helping leaders better articulate their organizational visions is a worthwhile Endeavour, because these leaders engage their workers in the strategic orientation of their organizations and build innovative and creative enterprises as a result. Furthermore, the findings suggested that an examination of leadership vision as a component

of transformational leadership needs to be clearly articulated at either an individual or organizational level of analysis.

According to Elenkov and Manev's (2005) study of 270 top managers' influence on innovation in 12 European countries found that socio-cultural context was essential in the relationship of leadership innovation and affirmed that leaders positively influence innovation processes in organizations. They found that the level of innovation is fostered in Russian culture by the demonstration of confidence, charisma, and idealized influence in addition to management by exception (active and passive), while in Sweden it is fostered by the inspirational motivation and intellectual stimulation. Jung et al., (2008) carried out a study of 53 Taiwanese electronics and telecommunications companies. They proposed a model to investigate how transformational leadership by top managers (CEOs) can affect their companies' innovativeness. This model includes direct and indirect effects moderated by characteristics of organizational culture, structure, and the external environment. They obtained that transformational leadership had positive relationships with organizational innovation as it was mediated by organizational culture that encouraged employees to freely discuss to get new and innovative ideas. They found out that leader who has the behavior of the four transformational leadership dimension could rearrange his followers' values, encourage them to accept the changes on personal and organizational level as well help the followers to exceed initial performance expectations. The more leaders stimulate their employees intellectually, the more they will be motivated and focus on their work. This boost interest in their tasks and should enable them to try new and better approaches of doing things, which is likely to lead to high levels of organizational innovation. They suggested that the intellectual stimulation and the continuing ability to challenge workers will lead to encourage organizational innovation.

Followers' creativity is a leader lever for innovation

According to Gumusluoglu and Ilsev (2009 b) creativity refers to the way to produce novel and beneficial ideas, while innovation is the extent of success achieved in the implementation of these creative ideas within the organization. Whereas transformational leadership indicates a sort of leadership in which leaders stimulate their followers behind existent self-interests during Idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (Laohavichien et al., 2009). Moreover, transformational leadership boosts followers' maturity-level and encourages them to focus on achievement, self-realization and the welfare of the community, the organization and others (Alarifi, 2011). For instance, Arnold, Turner, Barling, Kelloway, and McKee (2007) showed that transformational leaders directly provide confidence to their followers to challenge permitted methods and depend on themselves to answer any question may face them in the work. While Elkins and Keller (2003) explained that by intellectual stimulation, the leader stimulates his followers to develop innovative ways of dealing with organizational issues. Also, by individualized consideration, the leader helps his students to expand their knowledge to utilize in solving problems (Laohavichien et al., 2009). According to Afshari, Siraj, Ghani, & Afshari (2011) Transformational leaders promote creativity during intrinsic motivation, empowerment and climate supportive of innovation in the workplace which supports challenge. Therefore, the leader who acquires these four behaviors lead the followers to be more creative, as well as a lot of studies have investigated the issue of leadership found that the leaders of these behavioral dimensions are more powerful to fix the values and norms of followers, encourage individuals and organization to deal with changes and support followers to perform beyond expectations (Alarifi, 2011).

Gumusluoglu and Ilsev (2009 b) tested on 163 R&D personnel and managers at 43 micro and small sized Turkish software development companies. They proposed a model of the impact of transformational leadership on followers' creativity at the individual level and on innovation at the organizational level. The finding of their model suggested that transformational leadership has important effects on organizational innovation at both the individual and organizational levels. At the individual level, the findings showed that there is a positive relationship between transformational leadership and employees' efforts to achieve organizational innovation. In addition, transformational leadership influences employees' creativity through psychological empowerment. At the organizational level, the findings showed that transformational leadership has positively associates with organizational innovation through the creativity, which is measured with a market-oriented criterion developed specifically for developing countries and newly developing industries.

Furthermore, Jandaghi, Matin, and Fajami (2009) conducted a study in Iran included 68 managers and employees of private manufacturing companies in Qom's molding industry. The aims of their study were: (1) to compare transformational leadership in successful and less successful companies and (2) to study the four dimensions of transformational leadership (idealized influence, inspirational motivation, intellectual stimulation and individualized consideration) and its impact on these companies. They found that:

The effect of transformational leadership on successful companies is more than the un-successful companies.

The influence of idealized influence, inspirational motivation, intellectual stimulation and individual consideration in successful companies is significantly higher than unsuccessful companies. Moreover, the highest mean on successful companies belong to inspirational motivation (3.47) and individualized consideration (3.12).

Leaders in successful companies, with intellectual stimulate behavior, have the ability to stimulate the employees and inspire them for finding new sophisticated ideas that create challenge to use other alternatives, as they always encourage them to creativity and innovation.

Manager, who has characterized by individualized consideration, in successful companies is allocating time to his employees and satisfying their personnel needs. He provides supportive climate in which the individual members are supported by this manager who concerns regarding their feelings. This increases employees' intrinsic motivation to work collectively and encourages them to find creative approaches in completing their work and feel empowered.

Moreover, Shin and Zhou (2003) examined 290 employees and their supervisors from 46 Korean companies and found that transformational leadership was positively related to the followers' creativity which enhances the innovation on their organizations. They found that: (1) Transformational leadership positively influence the follower creativity, (2) followers' conservation, which considered as a value, moderated the relationship between transformational leadership and creativity, (3) intrinsic motivation mediated the contribution of the interaction of transformational leadership, (4) and conservation and partially mediated the contribution of transformational leadership to creativity.

Innovation doesn't happen 'out of the blue'. It is an evolving process that requires learning, challenging and an effective leader.

Learning is important for organizations because it gives them the opportunity to adapt, modify in unstable business environment and achieve higher performance (Patterson, Warr, & West, 2004). According to Bryant (2003) transformational leaders invest greatly and continuously in supporting and developing organizational learning to accomplish high innovation and effectiveness in the organization. Many previous researches noted a positive relationship between transformational leadership and organizational innovation moderated by organizational learning (de Weerd-Nederhof, Pacitti, de Silva Gomes, & Pearson, 2002).

Hsiao and Chang (2011) conducted a study of 330 teachers in charge of administration in 36 postsecondary schools. They proposed a model to investigate the impact of transformational leadership on organizational innovation and to examine organizational learning as a mediator of this relationship. The results of this study proof that transformational leadership and organizational learning have positive impact relationship on organizational innovation. It discloses the indirect effect of transformational leadership through organizational learning on organizational innovation more than the direct effect of transformational leadership. They found that organizational learning has a positive effect on organizational innovation. Moreover, this study supports and emphasizes that organizational learning generates the relationship between transformational leadership and organizational innovation which means, higher organizational learning leads directly to better organizational innovation. As well as, organizational innovation continues to rely on organizational learning for the development of innovative strategies and performance.

Moreover, Garcia-Morales, Matias-Reche, & Hurtado-Torres (2008) examined (164) pharmaceutical firms from Europe and America. Their study aimed to examine the influence of transformational leadership on organizational innovation and performance depending on the level of organizational learning in technological firms. The finding show that transformational leadership positively associated with organizational innovation in technological organizations with high-organizational learning. This means that transformational leaders boost organizational innovation at a higher level if they focus in the organizational learning which helps to minimize the cost of internal change (Zahay & Handfield, 2004).

As well, Garcia-Morales et al., (2008) did another study in Spain. They tasted 408 organizations form the four sectors in Spain (food farming, manufacturing, construction and services). They found that transformational leadership affects the dynamic capabilities of organizational learning and innovation. This confirms that transformational leaders improve the development of learning on the organization. In addition, they found absorptive capacity of the followers have a major role in the development of organizational skills in managing tacit knowledge which helps to give the character of learning to the organization in order to achieve organizational innovation. This means that the transformational leadership mainly affects the absorptive capacity.

Based on what has been mentioned, the research questions are the following:

RQ1: How can the components (dimensions) of the transformational leadership behavior promote innovation on the organizations?

RQ2: To what extent the linkage between transformational leadership and organizational innovation can be affected by culture, followers' creativity and organizational learning?

Moreover, the present study can hypothesize and propose the following:

P1. Organizational culture positively influences the relationship between transformational leaders and innovation in within organization.

H1: Transformational leadership is positively related to Organizational Culture.

H2: Organizational culture is positively related to Organizational innovation.

P2. There is a positive influence of followers' creativity on the relationship between transformational leaders and organizational innovation.

H3: Transformational leadership is positively related to Followers' Creativity.

H4: Followers' creativity is positively related to Organizational innovation.

P3. Organizational learning has a strong effect on the relationship between transformational leaders and innovation.

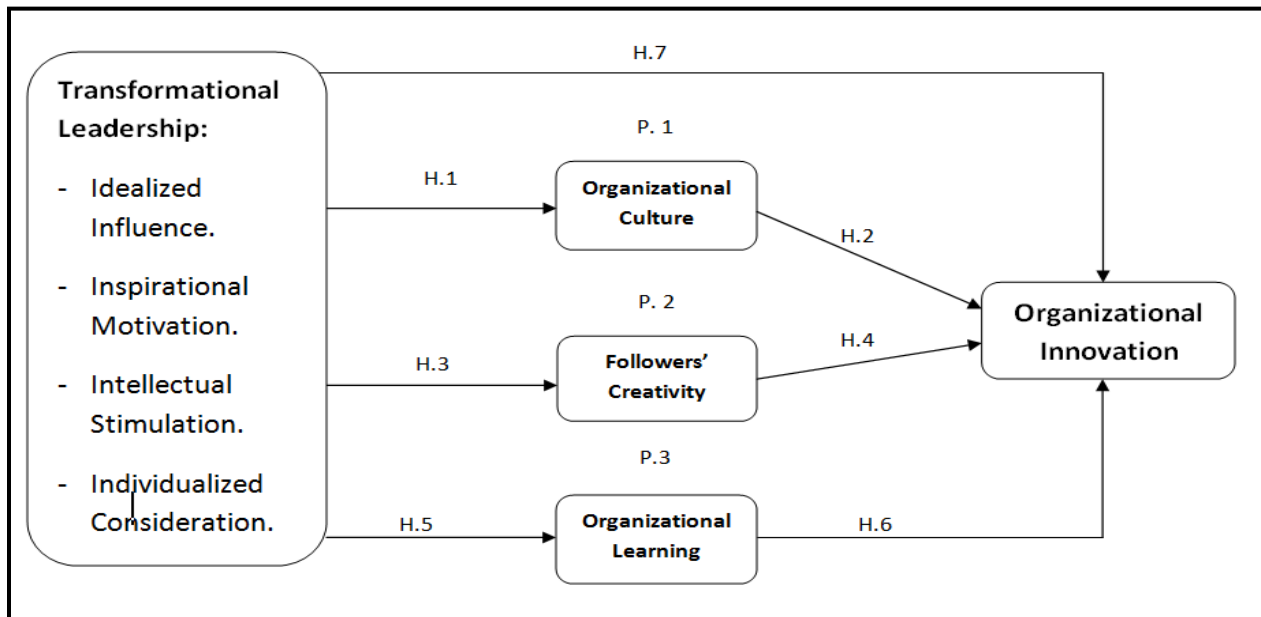
H5: Transformational leadership is positively related to Organizational Learning.

H6: Organizational learning is positively related to Organizational innovation.

H7: Transformational leadership is positively related to Organizational innovation.

In summary, this study shows the influence of transformational leadership on organizational innovation which can be affected by three variables: culture, creativity and learning. These three variables occurs positive change and support on this influence. Transformational leadership explained by four dimensions: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. As it found and supported by proposition 1, there is a relationship between the transformational leadership and organizational leadership affected by the organizational culture (Sarros et al., 2011 b; Elenkov & Manev, 2005; Jung et al., 2008). Moreover, regarding the second proposition the transformational leadership affects the employees' creativity through intrinsic motivation, empowerment and climate supportive of innovation in the workplace. This will reflect on the employees' creativity which will lead to increase the organizational innovation (Gumusluoglu & Ilsev, 2009 b; Jandaghi, Matin, & Fajami, 2009; Shin & Zhou, 2003). Third proposition depends on the relationship between organizational innovation and transformational leadership which influenced by organizational learning (Hsiao & Chang, 2011; Garcia-Morales, Matias-Reche, & Hurtado-Torres, 2008; Garcia-Morales et al., 2008). Finally, there is a positive and direct relationship between transformational leadership and organizational innovation as mentioned in previous studies (Damirch et al., 2011; Gumusluoglu & Ilsev, 2009 a; Jung et al., 2003).

The following is the future research model which indicates the tone for relations between the three factors (organizational culture, creativity and learning) that influence the transformational leadership and organizational innovation.



survival. The current study supports transformational leaders which provide a situation for innovation by paying more attention to the followers' needs and improvement. Also, they raise the level of innovation of their followers by designing realistic and challenging goals, and giving their followers the confidence to achieve these goals. Moreover, transformational leaders encourage their followers to use their personal and organizational abilities to increase innovation.

Sarros et al., (2011) emphasized the need for empirical researches support this relationship and the extent of the effect of some factors, especially in the government sector. Also, they confirmed that there is a scarcity on this type of researches. To address this gap, the conceptual framework of this research sheds more light on the influence of transformational leadership on organizational innovation through some factors that affect this relationship. These factors are organizational culture, followers' creativity and organizational learning. Some propositions are offered grounded on previous conceptual and empirical studies in culture, followers creativity, organizational learning and both transformational leadership and organizational innovation literature. In developing the framework, the focus was to show and explain the nature of the relationship between these factors and their influence through transformational leadership and organizational innovation.

Ultimately, as John Quincy Adams said “If your actions inspire others to dream more, learn more, do more and become more, you are a leader”. I will just add one word to the last sentence so the quote will be: “If your actions inspire others to dream more, learn more, do more and become more, you are a transformational leader”.

Implications

This research is one of the first to investigate transformational leadership and its effects on organizational innovation. In addition, this research can be added to leadership literature as it expanded the concept of transformational leadership through creativity, culture, organizational learning and innovation in the work environment.

The propositions of this research can be considered as a basis to stimulate empirical studies at the level of organizations in both the private and public sector as well to drive this area of researches ahead. So, these propositions can be tested across different companies and countries as well as, each proposition can be applied as an empirical research. As known, this research aims to give a complete view of transformational leadership and its impact on organizational innovation through a combination of factors.

Moreover, because of the UAE need of this kind of research to shed light on the behavior of transformational leadership in serving innovation on organizations in line with the requirements of this new era, it is essential to conduct some empirical studies through one of the existing propositions in this research

Managerial implications

Given the ongoing interactions between transformational leadership and organizational innovation, the importance of transformational leader is explained especially for organizations that wish to encourage followers' innovation, which will tend to organizational innovation. Transformational leaders inspire followers to achieve new levels of performance by helping them to view themselves as an important part of the vision, mission and goals of the organization. Moreover, these leaders help them to discover their purpose, values and norms as well pay attention to their needs and listen to them carefully (Carss, 2010). It is important for leaders to be as architects in order to create an innovative organization (Oke et al., 2009).

Horne and Jones (2001) conducted a survey -through Chartered Management Institute (CMI) in London- of 1,500 managers to explore what the employees are believed regarding the most important characteristics of their managers which should possess to act like leaders. 55% of employees in this survey wish to have inspirational leaders through their ability to influence and motivate their followers, 41% strategic thinking and 36% forward looking.

In addition, this research encourages managers to motivate their followers by empowering them and to engage in transformational leadership behavior in order to increase the creativity of their employees and to bring about organizational innovation. By stimulating and inspiring, transformational leaders enhance employees' resources and their creativity as well enhances their job performance and their confidence to try new approaches for solving work problems. This in turn, may contribute to flourish organizational innovation (Tims, Bakker, & Xanthopoulou, 2011). Moreover, affecting factors that enhance the role of transformational leaders should be promoted by integrating them into organizations' innovation. These findings provide evidence that transformational leadership should be the subject of management training and development in UAE to improve and boost the innovation performance of the country. Michaelis, Stegmaier, and Sonntag (2010) stated that researches, like the study of (Barling, Kelloway, & Cheung, 1996), showed that some of the transformational leadership behaviors amenable to be a subject of training programs. Through training idealized influence and inspirational motivation, leaders can boost their ability to articulate a vision and to be effective role models. Moreover, through training leaders' capability to be a role model through the use of innovations and the demonstration of values, leaders will achieve to increase followers' commitment to change which will lead to implement innovation behavior.

The empirical study of Barling et al. (1996) was on two group of managers; first group had transformational leadership training while the second without any training. Barling et al. noted that the group of the transformational leadership training had an effect on the perception of their followers. They recognized their managers as higher on intellectual stimulation, charisma and individual consideration than the followers of managers in the second group. This means that organizations should invest in transformational leadership training and in the selection of the supervisors and manager with this style of leadership before start implementing the organizational innovation.

Furthermore, the leaders can improve their ability to articulate their vision and be more effective by this kind of training.

Limitations

Apart from these contributions, the study is not without limitations. First, this model is a conceptual one and not been tested in Arab countries as an empirical validated study yet. On the other hand, the propositions in this research have implications for researches. This mean, there is a need to test and examine these model to support the finding in Arab countries as well to assess the extent to which the culture, Followers' creativity and organizational learning facilitate employee acceptance of organizational innovation through transformational leaders.

Second, most of the literature that relating to transformational leadership and organizational innovation have been examined in Western countries which mean that the characteristics of these participating organization may be quite from those areas or countries.

For future research

This study focuses on underlying the relationship between transformational leadership and organizational innovation. Future research might examine this relationship for generalization as an empirical study in Arab countries especially UAE by using some influencing factors, for example: creativity of the employees and the organizational culture that included in this research. In addition, studies should investigate whether these factors are significant mediators of the transformational leadership and organizational innovation relationship in different countries or industries. Moreover, this study does not support the effect of individual characteristics on organizational innovation. Future research should examine whether diversity and conflict are the determinants of organizational innovation rather than other factors that mentioned in this research.

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