



Leadership and Innovation in Public Sector Organizations: A Case-Study of the Emirate of Dubai

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ABSTRACT

This qualitative study is based on extensive interviews from government and semi-governments organization in the Emirate of Dubai. The study found a strong relationship between leadership and innovation in public-sector organizations of Dubai. Creation of innovation culture has a positive impact on organizational performance as well.

Keywords: Leadership, Innovation, Public-sector, Culture, Dubai

INTRODUCTION

The Emirate of Dubai is one of the most progressive and innovative emirates in the UAE. Dubai has been a center of attention to business leaders and policymakers around the world, and often portrayed as an example of progress. Dubai has a thriving private business sector, but still public sector plays a dominant role in the progress and development of the emirate. Most citizens are still employed by the public sector while expatriates populate the private sector in Dubai. The *International Herald Tribune* has described Dubai as "centrally-planned free-market capitalism" (Pohl, 2004). Dubai's public sector formulate policies and often guide private sector. Dubai's public sector is also considered one of the most innovative in the Middle East.

Many research studies implied that leadership has a substantial effect on innovation in most organizations [2; 6]. However, this relationship between leadership and innovation in public sector organizations still not well established [16]. It is essential to understand this relationship first to enable leaders to look for new strategies to drive public sector organizations with innovation and enhance firms' performance.

Managers and scholars are still learning about the role of leaders in driving innovation and the importance of creating an innovation culture in public sector organizations. The purpose of this study is to analyze nature of innovations in Dubai's public sector organizations, with special emphasis on the role of their leaders in promoting innovation. There is not enough literature available to understand this relationship in public sector organization, particularly in Middle East. Therefore, the results of the study can potentially help policymakers in Dubai and other countries in the Middle East.

LITERATURE REVIEW

Public sector organizations in Dubai often follow a centralized organizational structure, where leaders set the tone and directions of their organizations. Leaderships' main role is to set strategies on how to drive innovation in order to enhance the services and performance in these organizations.

A cursory review of literature indicates that leadership capability of creating an innovation focused culture in an organization is key determinant of successful innovation and better performance [1; 7]. Scholars found creating a supportive innovation culture as the ultimate approach for promoting innovation [5; 4], however, most of the research and analysis were done in the European and American organizations.

In modern economies, all public sector organizations around the globe are keen to provide solutions [3] and adapt new and different work perspectives and approaches for the complex situations and challenges as the old and the traditional methods found to be inappropriate and unsuitable [3]. Public sector organizations, therefore, are looking for novel solutions by embedding innovation in all organizational processes and operations and provide high standards services to their customers. Innovation improves government organizations' services and significantly contributes to the development of the delivered services to their customers and citizens, which lead to better quality of services, life, and performance [15, 17]. However, there are many internal and external barriers to the public sector organizations' innovation process. As public sector organizations currently facing pressures to improve their services by relying on innovation, such pressures have forced public sector organizations to look for new approaches to ensure organizations' continuous innovation and to deliver fast and high-quality services to the customers. Thus, currently leaders are required to introduce and implement bold and more innovative methods to support innovation. Leaders in public sector organizations must find out the driving forces of innovation and set strategies to control and eliminate the barriers through innovation strategies and actions to be able to continuously drive public sector organizations with innovation.

The traditional concept of leadership viewed leader as a capable person who is directing, controlling, and guiding people in the organization. Leadership was also considered as an effective agent who introduce and implement effective approaches for managing the organization and the people within its context [14]. However, the rapid changes in the global business environment and environment have made the role of a leader more challenging and complex. Organizational leadership is forced to focus on continuous changes and advancement in management practices [11; 14]. Such changes have forced and challenged organizations to concentrate more on innovative management practices.

The new challenges would require more changes in leadership practices and actions to relay more on innovation to effectively understand, react and manage the changes and the new complex environment using innovation [12]. It would also require new leadership approaches, characteristics, attitudes, and styles to support leaders cope with such environmental and business changes to ensure organizational success and survival, particularly in the public sector organizations. In addition, many scholars have recommended enhancing organizational outcomes and performance may require a different leadership. A model that is based on

innovation, which is considered more harmonious and compatible with the current complex business environment.

The outcomes from recent literature indicate there is a strong relationship between leadership and innovation, and such a relationship is essential for leaders in public sector organizations. Many scholars [2; 6] found that leadership has significant effects on innovation, however, such relationship between leadership and innovation still not well established in public sector organizations [15].

Innovation found to be the main success factor for organizational development, competitiveness, and survival and innovation-driven leadership has been discovered as the main driver for such innovation and development in public sector organizations [13]. Researchers argued that leaders in public sector organizations must continuously look at introducing innovative solutions and unique strategies to successfully face the rapid changes and continuous challenges of the complex and developing business environment [3], and such innovation is essential to enhance their performance [15; 17]. Large number of scholars found that creating an innovation culture in the government organizations is key of firms' continuous innovation and high performance [1; 7]. However, such studies were mostly conducted in the Western culture. There is a need for in-depth study to understand the role of leadership in promoting innovation in public sector organizations of Dubai.

Proposition: There is a positive and significant relationship between leadership and innovation in public sector organization.

RESEARCH METHODOLOGY

The main objective of this study is to understand the leadership style and innovation in the public sector organizations in Dubai. Leaders are somewhat resistant to share sensitive data, therefore a qualitative research methodology was selected for this study. A qualitative research method is an effective approach as it presents detailed view, explanation, and information of the studied and examined topic [8] and obtains answers to questions from social experiences and participants' opinions and perceptions to give meanings [8]. It involves studying individuals and participants in their natural settings, and which requires spending massive time in the field to collect the data from people's experiences and practices and working with huge data and reducing it to small codes, themes, and categories.

The qualitative research method looks at finding answerers to questions about 'how', 'what' or 'why' of a phenomenon therefore, the data is collected through interviews using open-ended questions. It is also based on interviewing the participants or witnessing settings and scenarios to understand features of community and social life by experiencing the attitude and behaviors of people, society and worker that are generated in words or expressions rather than numerical data [10].

Three government service organizations and two semi- government organizations accepted to participate in this study and provided answers to the research questions. The Organizations were contacted first to obtain the approvals for conducting the interviews. Authors also attended meetings as observer and obtained some documents related to leadership practices and strategies supporting innovation.

This study adapted a semi-structured interviews process as the questions were prepared and designed to support in obtaining answers to the research questions. However unstructured interviews were applied many times to meet the research objective and obtain replies to all study's questions, especially the interviews were conducted with upper and middle level management leaders. The interviews durations mostly lasted for 60 minutes.

RESULTS

Sixteen public sector leaders were interviewed for this qualitative study. A total 30 open codes were selected for the detailed interviews, and these 30 open codes are presented below:

Innovation (total 15 open codes): Key for survival, important for competitiveness, coping with market changes, leaders' DNA, base of culture, solves problems, improves processes, source of financial performance, governmental strategy, driver for development, driver for effectiveness, reduces the operating cost, expedites the processes, enhance quality, improve growth.

Leadership (total 15 open codes): Sets strategies for organization' innovation and growth, rewards for achievements and innovation, establishes firm's visions, goals, supports innovation, communicates innovation, inspires to achieve goals and innovation, supports to achieve outstanding performance and superior outputs, empowers employees, delegates authorities, provides the required resource, encourages taking decisions, inspires to perform tasks and innovate, creates an innovation culture, establishes innovation system, creates a friendly environment for innovation.

Thirteen participants out of total sixteen made 30 references for innovation and leadership relationship. Most of the middle management level leaders (2 out of 3) and majority the upper management level leaders (2 out of 3) from the government organization found that there is a close relationship between innovation and leadership and leaders are the main drivers for innovation. Similarly, all the upper management level leaders (3 out of 3) and most of the middle management level leaders (6 out of 7) from the semi-government organization argued that innovation and leadership are correlated, and it would be difficult for any organization to innovate without a competent and supportive leadership who have the vision of innovation.

Moreover, one of the upper level management leaders and two middle level management leaders from the government organization found innovation as the key for government organization's survival, competitiveness and coping with the international market requirement and changes. Likewise, majority of the upper level management leaders (2 out of 3) from the semi-government organization found innovation as part of leaders' DNA, organization's culture, leadership and employee's practices that is used to solve the problems and improve organization's processes and services and without it organizations cannot survive and succeed. Innovation in the semi-government organization is also considered as the main source of organization's financial performance and output. Similarly, most of the middle level management leaders from the semi-government organization contended that innovation is a government strategy, the base of organizational culture, and the main driver for organizational development and effectiveness. Two leaders insisted that innovation promote organization's innovation and development.

Equally, majority of the middle level management leaders (6 out of 7) from the semi-government organization found innovation as the base of organizational culture and the source

of organization's development and effectiveness. Two of these leaders found innovation to support systems and services quality, reduces the operating cost and expedites the processes of performing the tasks and activities. They stressed that the firm must continuously innovate to be able to succeed, compete, survive, and increase its profitability and output.

The upper level management leaders from both government and semi-government organizations stressed that innovation is a governmental strategy and innovation leaders set strategies for organization's innovation and growth. Also, innovation is the crucial factor for organizational survival, competitiveness, development, and success. While many of the upper level and middle level management leaders from the semi-government organization emphasized that being a profit-based organization, the firm must incessantly innovate to enhance organization's success, competitiveness, and financial performance.

In addition, majority of upper and middle level management leaders from the government organization contended that leaders challenge, inspire motivate and empower employees to enhance their performance, productivity, and innovation. Similarly, one of the middle level management leaders from the semi-government organization found that leadership encourage, motivate and support employees to initiate and implement new ideas and then reward employees for their achievements and innovation.

One of the upper level management leaders and another from the middle level management from the government organization insisted that leadership establishes firm's visions, goals and efficiently root and communicate innovation in all organizational levels, which inspire employees to support in achieving organization's goals, innovation, outstanding performance and superior outputs. While the upper and middle level management leaders from the semi-government organization emphasized that leadership is the key and the main driver of organization's innovation. Two upper level management leaders from the semi-government organizations argued that leaders empower employees, delegate authorities and provide the required resource to encourage employees take decisions to perform the responsibilities and improve organization's processes and services. While one of the middle level management leaders emphasized that leaders encourage, motivate, support and enhance employees' innovation and reward employees for their achievements and innovation.

All the upper and middle level management leaders from the government organization as well as all the upper level management leaders and majority of middle level management from the semi-government organizations argued that leaders create a supportive culture for innovation that is based on proper communication, motivation and rewarding that inspire employees initiate new ideas and improve organization's services and processes.

In addition, the upper-level management leaders and three of the middle level management leaders from the government organization as well as all the upper level management leaders from the semi-government organization contended that leaders establish systems and ideas platform to stimulate employees' innovation to introduce new ideas for developing organization's innovation and improving its operations and processes. Moreover, most of the upper-level management leaders and the middle-level management leaders from the government organizations, along with one middle level management leader from the semi-government organization stressed that leaders create a supportive and friendly environment

that encourage innovation and develop employees and organization's innovation and performance. The findings of the detailed interviews are summarized in the Figure 1.

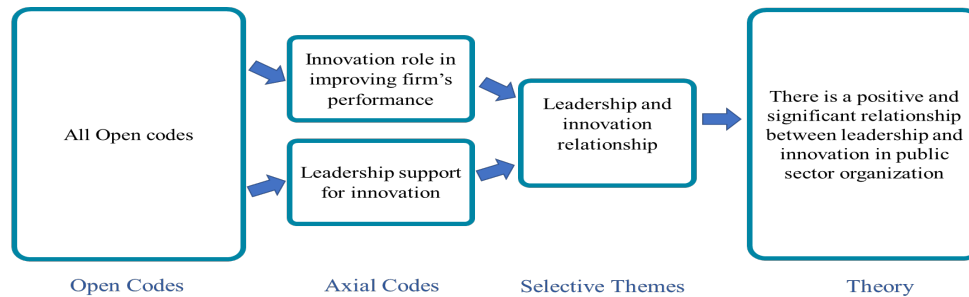


Figure 1: Leadership and Innovation Relationship in Public Sectors Organization in the UAE

The above results provide the reply to the research proposition and confirm that there is a close and positive relationship between innovation and leadership in public sector organizations that is crucial for organization's survival, competitiveness, success, and high performance, which further supported to investigate how public sector organizations' leaders are driving the organizations with innovation.

CONCLUSIONS

A holistic model of the impact of innovation driven leadership on organizational performance has been developed using a qualitative ground theory design as shown in Figure 1. The result for this study provides empirical supports and advocates to academics and practitioners regarding leaders' strategies for driving public sector organizations with continuous innovation through the creation on an innovation culture and its significant impacts on organizational performance.

This study's results reveal that innovation-driven leadership strategies for continuous innovation, as perceived by the leaders from public sector organizations consist of five main strategies that include creating a supportive culture for innovation, initiating a supportive environment for innovation, building a trustable relationship with employees, leadership innovation behaviors supporting innovation, and leadership style that that significantly affect employees' and organizations' innovation.

Among the five strategies, seven leadership innovation behaviors stimulating employees' innovation, were also analyzed. These behaviors include rewarding and recognition, delegation of power, empowering employees to innovate, engaging employees, assigning tasks, developing learning and knowledge, and providing the required resources for innovation. The data analysis proved that the five strategies positively and significantly affect and motivate public sector employees to innovate and improve organization's services.

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