

https://dspace.org/

Bridging the Innovation Gap for South African Businesses: Exploring the Influence of Leadership Styles on Innovation Management

Collier, Michael James

2024
University of the Witwatersrand, Johannesburg
https://hdl.handle.net/10539/47731
Collier, Michael James. (2024). Bridging the Innovation Gap for South African Businesses: Exploring the Influence of Leadership Styles on Innovation Management [Master`s dissertation, University of the Witwatersrand, Johannesburg]. WIReDSpace. https://hdl.handle.net/10539/47731

Downloaded from a DSpace repository. https://dspace.org/



Wits Business School

Sculpting global leaders

Bridging the Innovation Gap for South African Businesses: Exploring the Influence of Leadership Styles on Innovation Management

Michael James Collier

A research article submitted to the Faculty of Commerce, Law, and Management at the University of Witwatersrand, in partial fulfilment of the requirements for the Master of Business Administration degree.

Johannesburg, 2024

TABLE OF CONTENTS

ABSTRACT ..... **III**

DECLARATION ..... **IV**

ACKNOWLEDGEMENTS ..... **V**

LIST OF TABLES ..... **VI**

LIST OF FIGURES ..... **VI**

LIST OF ABBREVIATIONS ..... **VII**

1 CHAPTER 1: INTRODUCTION **1**

1.1 Statement of Purpose 2

1.2 Background to the "Innovation Gap" 2

1.3 Problem Statement 4

1.4 Significance of the Study 5

1.5 Research Questions 5

1.6 Delimitations of the Study 6

1.7 Assumptions 6

2 CHAPTER 2: LITERATURE REVIEW **7**

2.1 Introduction 7

2.2 The Role of Leadership in Innovation Challenges in South Africa 8

2.3 Bridging the Innovation Gap 8

2.4 Definition of Key Concepts 8

2.5 The South African Context – Challenges and Opportunities for Innovation 10

2.6 Key Observations from International Studies 10

2.7 Theoretical Framework 11

2.8 Theoretical Justification and Comparative Relevance 13

2.9 Conceptual Framework 15

2.10 Conclusion 16

3 CHAPTER 3: RESEARCH METHODOLOGY **17**

3.1 Research Design 17

3.2 Research Approach 17

3.3 Questions and Considerations (Possible Variables) 17
3.4 Sampling Strategy 18
3.5 Data Collection Methods 18
3.6 Data Analysis 19
3.7 Reliability and Validity 19
3.8 Ethical Considerations 19
3.9 Limitations 20
4 CHAPTER 4: PRESENTATION OF FINDINGS 21
4.1 Pillar 1: Innovation Adoption 21
4.2 Pillar 2: Organisational Culture of Innovation 23
4.3 Pillar 3: Innovation Succession 23
4.4 Leadership Influence on Innovation Management – Flowchart 24
4.5 Impact of Leadership Styles on Innovation Management – A Comparative Analysis 24
4.6 Evidence 26
5 CHAPTER 5: INTERPRETATION OF FINDINGS 29
5.1 Leadership Influence on Innovation Adoption 29
5.2 Leadership Influence on Fostering an Innovation Culture 30
5.3 Leadership Influence on Innovation Succession 31
5.4 Addressing the Challenges of South Africa's "Innovation Gap" 32
5.5 Case Study References (Supporting Evidence): 33
5.6 Recommendations for Future Research 34
6 CHAPTER 6: CONCLUSION 35
7 CHAPTER 7: JOURNAL NOMINATIONS 38
8 CHAPTER 8: REFERENCES 39

ABSTRACT

In South Africa, businesses in the private sector continue to face a persistent and globally perceived innovation gap that undermines competitiveness, adaptability, and at a macro level long-term economic growth and sustainability. Despite growing recognition of innovation as a driver of growth, many South African organisations struggle to integrate effective innovation management into their strategic operations. This study investigates the role of leadership in bridging this innovation gap by exploring how transformational and participative leadership styles influence three key areas of innovation management: innovation adoption, fostering a culture of innovation, and ensuring innovation sustainability.

The research follows a qualitative, exploratory design, drawing on semi-structured interviews with senior business leaders operating in innovation-driven industries across South Africa. Participants were purposively selected based on their leadership experience and active involvement in strategic innovation initiatives. The study is centred around Rogers' Diffusion of Innovations Theory and Schein's Model of Organisational Culture, which together provide insights and a theoretical framework for understanding some elements of leadership's impact on organisational innovation practices.

Findings reveal that both leadership styles contribute significantly to the speed, effectiveness, and sustainability of innovation efforts. Transformational leaders promote vision-driven adoption and strategic alignment, while participative leaders cultivate inclusive innovation cultures that empower employees and enhance innovation adoption. However, a critical gap exists in formal innovation succession planning across most organisations regardless of leadership style at the helm.

The study concludes that leadership is a pivotal lever in embedding innovation into organisational DNA. By aligning leadership development with structured innovation governance and orientated towards transformational and participative leadership practices, South African businesses can enhance their resilience, drive economic transformation, and position themselves more competitively in the global innovation landscape.

DECLARATION

I, **Michael James Collier,** declare that this research article is my own work, except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.



(Michael James Collier)

Signed at: **Edenvale.**

On the: 6th (Sixth) day of: December 2024

ACKNOWLEDGEMENTS

I would like to extend my deepest gratitude to those who played a pivotal role in my life and academic journey through both my PDBA and MBA studies.

To my wife, **Laura Battezzati-Collier**, whose unwavering support, and encouragement sustained me throughout this journey. She continually reinforced the significance of my studies, especially during times of low motivation and high work pressures. Her patience, understanding, and ability to balance family responsibilities – including caring for our two young sons – enabled me to focus on my academic and professional growth.

To my sons, **Riley and Tristan,** whose patience, love, and support, despite their young age, remained constant throughout this demanding period. Their resilience and understanding, even in the face of missed family time, made this achievement even more meaningful.

A special appreciation goes to **Mr Raymond Katz, CEO of Regal Distributors SA (Pty) Ltd**, whose mentorship, guidance, and encouragement have been instrumental in my professional and academic growth.

I am also deeply grateful to my colleagues, professional network, and friends, whose insights, discussions, and encouragement provided valuable perspectives and motivation throughout my MBA journey. A special acknowledgement goes to **Dr Stuart Robertson**, whose wisdom and guidance have been a silent but powerful inspiration, shaping my perspective on leadership and business. His advice has been invaluable and, in many ways, more impactful than countless hours of study.

I extend my sincere gratitude to the **organisations and business leaders** who participated in my research interviews. Their willingness to share their experiences and insights provided the essential data and perspectives that substantiated my research findings.

Finally, I am immensely thankful to **Dr Roselyn Koech**, my research supervisor, for her invaluable guidance and support. She helped me refine my research focus, transforming an initially broad topic into a structured and meaningful study that I am truly enthusiastic about. Her patience, direction, and academic expertise played a crucial role in the completion of this research.

I will always be grateful to everyone who contributed to this journey, and I deeply appreciate the support and encouragement that made this achievement possible.

LIST OF TABLES

Table 1: Comparison of Theorhetical Frameworks 18
Table 2: Profile of Respondents (Purposive Sampling) 18
Table 3: Comparative Analysis (Leadership Styles and Innovation Management) 25

LIST OF FIGURES

Figure 1: Rogers' Diffusion of Innovations Theory 12
Figure 2: Schein's Model of Organisational Culture 12
Figure 3: Leadership, Innovation Management and Challenges – Research Framework 15
Figure 4: Relationship between Leadership and Innovation Management 15
Figure 5: Frequency of key themes mentioned in interviews 22
Figure 6: Distribution of Leadership Styles Among Interviewees 22
Figure 7: Influence of Leadership on Innovation Management – Flowchart 24
Figure 8: Radar Chart – Impact of Leadership Styles on Innovation Management 26

LIST OF ABBREVIATIONS

AI: Artificial Intelligence

FRLT: Full Range Leadership Theory

GE: General Electric

IoT: Internet of Things

KPI: Key Performance Indicator

MLQ: Multifactor Leadership Questionnaire

OECD: Organisation for Economic Co-operation and Development

R&D: Research and Development

SME: Small and Medium-Sized Enterprise

1 CHAPTER 1: INTRODUCTION

Innovation is a critical driver of business success and economic resilience, yet South African businesses face a persistent innovation gap that hinders competitiveness and long-term growth. While innovation is widely acknowledged as essential for sustainability, the effective management of innovation remains a significant challenge in many South African organisations. A 2015 survey revealed that 80% of private sector executives emphasised the importance of innovation management for growth and competitive advantage (Legrand & Weiss, 2011). However, fewer than 30% expressed satisfaction with their organisation's innovation capabilities (Legrand & Weiss, 2011). Dells Innovation Index (2023) reinforces this concern, indicating that only 26% of South African businesses are recognised as innovation leaders or adopters (Gibson, 2023). This gap highlights a misalignment between the perceived importance of innovation and its practical implementation in business strategies.

Leadership plays a pivotal role in shaping innovation management, and influences organisational culture, decision-making, and the adoption of new technologies. Transformational and participative leadership styles have been widely studied in relation to innovation, with research suggesting that these approaches foster an environment conducive to creativity, adaptability, and sustainable innovation (Afsar & Umrani, 2020). However, the effectiveness of these leadership styles in bridging the innovation gap in South Africa's unique socio-economic and business landscape remains underexplored.

This study investigates how transformational and participative leadership styles influence innovation management, with a particular focus on innovation adoption, fostering a culture of innovation, and ensuring innovation sustainability. They have been specifically identified as the two leadership styles that have a correlated positive influence on innovation management (Ossai, 2021). This study employs a qualitative exploratory approach, drawing insights from semi-structured interviews with 12 business leaders across diverse industries, with a focus on technology and innovation-driven sectors. Participants were selected based on leadership experience, industry expertise, and direct involvement in innovation management.

This study examines three key pillars of innovation management:

Innovation Adoption – Assessing how leadership styles influence the speed and effectiveness of adopting new ideas and technologies.

Fostering a Culture of Innovation – Exploring how leadership strategies shape a work environment that encourages creativity, risk-taking, and continual improvement.

Innovation Sustainability – Investigating leadership's role in ensuring long-term innovation continuity through structured planning, knowledge transfer, and executive sponsorship.

By examining these leadership influences, this study aims to provide practical insights for business leaders, policymakers, and academics. It highlights the critical need for leadership development programmes that focus on transformational and participative leadership styles, which can enable organisations to embed innovation into their core strategies. Furthermore, the study explores how leadership-driven innovation management can contribute to addressing South Africa's macro-economic challenges, such as economic stagnation, unemployment, and global competitiveness. The findings of this study contribute to the existing body of knowledge by offering empirical insights into the role of leadership in bridging South Africa's innovation gap. By integrating leadership strategies with effective innovation management practices, organisations can enhance their adaptability, resilience, and long-term competitiveness in an increasingly dynamic business landscape.

1.1 Statement of Purpose

This study has been structured to provide insights for business leaders, policymakers, and academics, as it highlights the need for leadership development programmes focusing on transformational and participative leadership styles, alongside insights for embedding innovation into organisational DNA.

1.2 Background to the "Innovation Gap"

In the South African business landscape, innovation management is not a new concept, and the ability to innovate consistently and manage this innovation effectively is what sets organisations apart by providing competitive advantages and fostering long-term growth. This need for innovation management not only drives companies to adapt and evolve in response to rapidly changing local and global market conditions, but also mandates continued re-evaluation of internal leadership strategies and their direct impact on and support of innovation management practices. Leadership is undeniably critical to business transformation, as leaders set the direction for change, mobilise the required resources, and ensure alignment across the organisation, an approach which also applies to innovation management (Baker & Hoidn, 2023).

Historically, the study of organisational leadership has evolved from classical theories focusing on "great man" characteristics to more complex paradigms that recognise the situational, transformational, and democratic dynamics of leading an organisation. (Bass & Avolio, 1994, Chapter 3, pp. 45–67) Concurrently, innovation management has emerged as a distinct area of

study, spurred by initial research on innovation itself, such as Schumpeter's *Theory of Economic Development* (1934) and Rogers' *Diffusion of Innovations* (2003), and has since become a broad and subjective area of study. In South Africa, studies on innovation management have expanded over the last decade, and more so as the innovation gap has been emphasised in business analysis. Herbst and Barnard (2016) explain that the concepts of innovation and innovation management, although different, contain residual ambiguity, with many organisations having limited competencies in innovation management. However, these two concepts are vastly different in purpose, with innovation aiming to improve or elevate products or services as a proxy of research and development (R&D) to create value.

In the context of this study, innovation can be considered the "why" (why we seek change and improvement), while innovation management aims to create a structured environment that facilitates and manages continual innovation in all areas of the business, whether it involves people, processes, products, strategies, culture, or resources. Therefore, in the context of this study, innovation management can be considered the "how" (how we systematically achieve and sustain innovation). The following definitions of innovation and innovation management support Herbst and Barnard's findings:

Definition of Innovation – The Oslo Manual

"The implementation of a new or significantly improved product (goods or services) or process, a new marketing method, or a new organizational method in business practices, workplace organization, or external relations" (Organisation for Economic Co-operation and Development (Organisation for Economic Co-operation and Development [OECD], 2005, Chapter 1, p. 15)

Definition of Innovation Management – Harvard Business Review

"The systematic planning, organizing, managing, and controlling of innovation activities and resources within an organization" (Harvard Business Review, 2022).

One objective of this study is underpinned by the modern challenges, specifically of innovation management, that organisations in the South African private sector face in their business practices. Leadership styles that can effectively manage innovation can provide a blueprint for organisational resilience and adaptability. The importance of business innovation is directly linked to individual business goals and needs. Boyles (2022) identifies this as a fundamental aspect impacting organisational growth, competitive advantage, new opportunities, and creativity across product, process, people, and strategy, and further emphasises that innovation and the positive outcomes thereof have a direct impact on macro-economic factors.

The influence of leadership on innovation management focuses on three core pillars identified as key concepts in innovation management frameworks. These pillars include Innovation adoption, Culture of innovation and Innovation succession, which have been discussed across literature such as Rogers Diffusion of innovation theory, 2003 and Schein's Model of Organisational Culture.

Innovation Adoption

The process by which organisations and its employees accept and implement new ideas is significantly influenced by leadership, as leaders advocate to strategically integrate new technologies and methodologies into business practice (Rogers, 2003). The pace and effectiveness of adoption can be said to vary across different leadership styles.

Culture of Innovation

Similarly, an organisational culture of innovation that fosters creativity and continual improvement is deeply embedded in leadership strategies that promote openness, flexibility, and empowerment (Schein, 2010). Leaders who establish a strong vision and inclusive culture enhance the sustainability of innovation.

Innovation Succession

The ability to sustain and evolve innovation practices depends on leadership that not only initiates innovation, but also institutionalises it within organisational structures. Effective leadership ensures that innovation practices endure leadership transitions and market shifts, which reinforces long-term organisational adaptability and competitiveness.

1.3 Problem Statement

South Africa faces a persistent innovation gap that hinders business competitiveness and long-term economic sustainability. While prior research has explored macro-economic barriers to innovation, such as regulatory constraints, funding limitations, and socio-political instability, little attention has been given to the role of leadership in shaping innovation management in private sector organisations. Existing studies focus on innovation policies and external market forces rather than the internal organisational and leadership dynamics that influence innovation adoption, culture, and sustainability. Despite global research suggesting that transformational and participative leadership styles foster innovation, there remains limited empirical evidence on their effectiveness within South Africa's unique business environment.

This study seeks to address this gap by examining how transformational and participative leadership styles influence innovation management in South African businesses, with a specific

focus on three key pillars: innovation adoption, fostering an innovation culture, and ensuring innovation sustainability. Transformational and participative leadership styles are the leadership styles most associated with a positive influence on innovation and innovation management within an organisation (Afsar & Umrani, 2020). Unlike broader studies on general innovation challenges, this study provides a focused analysis of leadership's role in shaping innovation processes within private sector organisations.

By offering empirical insights into the relationship between leadership and innovation management, this study aims to contribute to both academic discourse and practical leadership strategies that can enhance South Africa's innovation capacity and bridge the existing innovation gap.

1.4 Significance of the Study

The rationale for investigating the impact of transformational and participative leadership styles on innovation management in South African businesses stems from the observed key challenges businesses face in closing their innovation gap and bolstering innovation management practices. This study aims to enhance clarity and guide policy in relation to the influence of leadership on innovation management, as leadership plays a pivotal role in shaping organisational capabilities in innovation, which is fundamental to surviving in South Africa's tough business environment. Furthermore, the study presents findings that may assist in the alignment of leadership styles with innovation management processes, which in turn could be significantly impactful. South Africa's wicked problems carry a deeply negative impact on its society, and successful innovation management can have a materially positive impact in addressing these wicked problems and establishing long-term improvements as a natural "knock-on effect." (Herbst, D., & Barnard, B, 2016).

1.5 Research Questions

This study is guided by three questions, each specific to the three pillars (themes) of innovation management practices. The questions centre on the characteristics associated with transformational and participative leadership styles to assess their influence on innovation management.

Pillar 1: Innovation Adoption

Q1: How do transformational and participative leaders manage innovation succession to ensure sustainability and evolution in organisational innovation management

Pillar 2: Organisational Culture of Innovation

Q2: What role do these leadership styles play in fostering an organisational culture that encourages continual innovation and creativity among employees?

Pillar 3: Innovation Succession

Q3: How do transformational and participative leaders manage innovation succession to ensure sustainability and evolution in organisational innovation management?

1.6 Delimitations of the Study

This study focuses on modern leadership styles affecting innovation in South African private businesses, using exploratory qualitative data from interviews with 12 leaders experienced in innovation management. It excludes external and customer-led innovations.

1.7 Assumptions

This study operates under several assumptions about the influence of leadership on innovation management within South African businesses. It assumes that leadership styles directly impact innovation practices, are the key element to addressing the innovation gap, and that certain leadership styles correlate positively with innovation levels while reducing barriers such as resistance to change, thereby encouraging adoption and ensuring long-term innovation success. Organisational culture is seen as a mediator that enhances the impact of leadership on innovation. Its influence is assessed through qualitative exploratory methods. The study assumes economic equality to isolate leadership effects, and assumes that participant responses are honest and accurate. It also considers the concepts of innovation adoption, culture, and succession as applicable across various industries, despite a limited sample size. Theoretical frameworks such as Roger's diffusion of innovations theory and Schein's model of organisational culture are presumed valid for analysing organisational culture dynamics and it assumes that thematic analysis is a suitable research methodology for the qualitative approach.

2 CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Innovation is a fundamental driver of business success, yet South African businesses face a persistent innovation gap that limits competitiveness and economic resilience. Leadership plays a crucial role in innovation management, and influences the adoption of new ideas, the cultivation of an innovation-friendly organisational culture, and the long-term sustainability of innovation practices. Studies indicate that transformational and participative leadership styles are particularly effective in fostering innovation (Afsar & Umrani, 2020). Transformational leaders inspire change by setting a clear vision for innovation and driving rapid adoption of new technologies. Participative leaders, on the other hand, foster an inclusive environment where employees are actively involved in decision-making, which leads to greater acceptance of innovation (Ossai, 2021).

One of the most significant roles of leadership in innovation management is facilitating the adoption of new ideas and technologies. According to Rogers' diffusion of innovations theory (2003), the speed and effectiveness of innovation adoption depend on factors such as perceived advantages, communication methods, and leadership support. Transformational leaders accelerate adoption by allocating resources strategically and aligning innovations with long-term goals. Conversely, participative leaders encourage collaborative decision-making and ensure that employees feel ownership over new ideas. However, resistance to change remains a major barrier. South African businesses struggle with employee scepticism, cost concerns, and uncertainty about the impact of innovation (Herbst & Barnard, 2016). Transformational leaders overcome resistance by demonstrating the tangible benefits of innovation, while participative leaders address concerns by facilitating open discussions and providing training.

Coupled with this, a strong innovation culture is essential for sustained success, and leadership is the primary driver in shaping this culture. Schein's model of organisational culture (2010) emphasises that leaders establish the values, norms, and behaviours that encourage innovation. Transformational leaders embed innovation into strategic planning and performance evaluation, and ensure that creativity is not just an occasional initiative, but a core business function. Participative leaders focus on empowering employees, and foster a sense of ownership and accountability for innovation. However, South African businesses face structural barriers, such as rigid hierarchies, risk-averse mindsets, and limited financial incentives for innovation (Hudson, 2014). Studies show that companies with flat, decentralised structures tend to be more innovative than those with strict hierarchical decision-making

processes (Legrand & Weiss, 2011). Leaders who encourage cross-functional collaboration and open communication create an environment where employees feel safe to experiment and contribute to innovation.

2.2 The Role of Leadership in Innovation Challenges in South Africa

Despite recognising the importance of innovation, South African businesses struggle with economic constraints, regulatory challenges, and skills shortages (Burger, 2023). The country's limited investment in R&D has led to slow innovation adoption rates (Gibson, 2023). Additionally, a lack of digital transformation strategies has placed South African firms behind global competitors. Transformational leaders address these challenges by advocating for policy changes, securing innovation funding, and driving digital transformation initiatives. Participative leaders, in contrast, focus on employee empowerment, fostering innovation ecosystems, and leveraging cross-industry partnerships. Case studies from global innovation leaders, such as IBM's transition to a service-driven model (Chesbrough, 2007), demonstrate how leadership-driven innovation strategies can help businesses navigate economic volatility and maintain competitiveness.

2.3 Bridging the Innovation Gap

To close South Africa's innovation gap, businesses must prioritise leadership-driven innovation strategies. Research suggests that aligning leadership styles with innovation management frameworks can enhance organisational adaptability, resilience, and long-term growth (Dellova & Tian, 2024). Rogers' diffusion of innovations theory (2003) highlights that innovation adoption depends on effective communication, perceived benefits, and leadership influence. Additionally, Schein's model of organisational culture (2010) confirms that an innovation-positive leadership approach fosters sustainable innovation practices. South African businesses that integrate transformational leadership for vision-setting and participative leadership for employee-driven innovation will be better positioned to compete globally. Future research should explore longitudinal studies on the impact of leadership on digital transformation, particularly in industries such as artificial intelligence (AI), automation, and fintech.

2.4 Definition of Key Concepts

This section provides definitions of key concepts that form the foundation of this study, drawing from relevant academic literature and industry research.

Leadership Style

Leadership is the process by which individuals influence, guide, and direct others toward achieving organisational goals. In the context of innovation, leadership plays a pivotal role in decision-making, fostering creativity, and overcoming resistance to change (Bass & Avolio, 1994, p. 15). Two key leadership styles are emphasised in this study.

- Transformational Leadership: A leadership style that focuses on inspiring and motivating employees by creating a compelling vision, fostering innovation, and encouraging risk-taking (Bass & Avolio, 1994, p. 15). Transformational leaders challenge the status quo, empower employees, and drive continual improvement.
- Participative Leadership: A leadership style that emphasises collaboration, inclusivity, and employee involvement in decision-making (Ujwary-Gil, 2017). Participative leaders encourage innovation through shared responsibility and collective problem-solving and ensure that employees feel ownership over new ideas and processes.

These leadership styles influence how organisations adopt innovation, develop an innovation-friendly culture, and ensure long-term sustainability.

Innovation

Innovation refers to the creation, development, and implementation of new ideas, products, processes, or services that provide value to an organisation or society (Organisation for Economic Co-operation and Development (OECD), 2005). Innovation is not solely about technological advancements; it also encompasses process improvements, business model innovations, and organisational transformations (Tidd & Bessant, 2009).

Innovation Adoption

The process by which an organisation accepts and integrates new technologies, methodologies, or business models into its operations (Rogers, 2003). The speed and success of innovation adoption depend on leadership influence, organisational culture, and employee readiness.

Innovation Culture

The collective mindset, values, and behaviours within an organisation that support creativity, experimentation, and continual improvement (Schein, 2010). A strong innovation culture enables organisations to adapt to market changes and sustain a competitive advantage.

Innovation Sustainability

The ability of an organisation to maintain and evolve its innovation practices over time, ensuring that innovation remains a core strategic function rather than a temporary initiative (Herbst & Barnard, 2016).

Innovation Management

Effective innovation management involves strategic planning, resource allocation, and leadership-driven initiatives to embed innovation into organisational DNA.

2.5 The South African Context – Challenges and Opportunities for Innovation

South Africa presents a unique environment for studying leadership and innovation management due to economic volatility, regulatory challenges, and skills shortages (Burger, 2023). Several factors shape innovation adoption and leadership influence in the country.

- Economic and Regulatory Barriers: Strict government regulations, high business costs, and limited access to funding hinder innovation (Dludla, 2024).
- Technological Readiness: While South Africa has seen growth in digital transformation, many businesses still lag behind global competitors in adopting new technologies (Gibson, 2023).
- Workforce Challenges: A shortage of skilled professionals in science, technology, engineering, and mathematics (STEM) fields limits businesses' ability to leverage technology-driven innovation (González, Moral-Benito, & Soler, 2023).
- Corporate Culture: Many South African companies operate under traditional hierarchical structures, which can stifle employee-driven innovation and risk-taking (Hudson, 2014).

Despite these challenges, leadership-driven innovation strategies present an opportunity for South African businesses to close the innovation gap, drive economic growth, and increase global competitiveness.

2.6 Key Observations from International Studies

For additional observations and insights into associated themes, two studies of economies considered more robust than South Africa (and that have experienced better economic growth rates and a more prominent interest in innovation) were evaluated.

In *The Relationship Between Leadership Style and Innovation Performance in Nigerian Small and Medium Enterprises*, Ossai (2021) investigates how leadership styles affect innovation performance in small and medium-sized enterprises (SMEs), and provides insights into effective leadership approaches that promote innovation. Ossai's study focuses on how

transformational, transactional, and passive-avoidant leadership styles influence innovation performance, and makes use of the full range leadership theory (FRLT). Interestingly, this study employs a quantitative approach by analysing data and responses from 158 SME leaders using the multifactor leadership questionnaire (MLQ-Form 5X), which is an eight-item innovation performance scale developed by Meeus and Oerlemans (2000).

The transformational leadership style showed the most positive and significant correlation with innovation performance, which highlights its importance in fostering innovation. The transactional and passive-avoidant leadership styles did not significantly predict innovation performance individually, though all three styles collectively showed positive correlation. Transformational leadership was identified as the most effective style for enhancing innovation in SMEs; promoting transformational leadership through leadership development programmes could lead to increased innovation, growth, and job creation in SMEs (Ossai, 2021).

In *The Impact of Leadership Styles on Innovation Management in Polish Companies*, Ujwary-Gil (2017) explores how a broad range of leadership styles affect innovation management, outlines the organisational framework, and takes a deeper look at the different leadership styles and their respective impact on innovation, whether positive or negative. Leadership styles evaluated in Ujwary-Gil's study includes directive leadership, participative leadership, interactive leadership, charismatic leadership, transformative leadership, transactional/instrumental leadership, strategic leadership, and distributed (shared) leadership.

Leadership plays a vital role in fostering innovation by influencing organisational creativity, project execution, and overcoming resistance with any new idea or innovation. Various leadership styles have unique impacts at various stages of innovation (ideation, implementation) and for different innovation types (incremental, radical). A four-dimensional framework ("people-means-effects-goals") is used to systematically analyse leadership styles' impact on innovation management. Lack of empirical evidence connecting leadership styles with market innovations and certain stages such as incremental process innovation, among others, necessitates an exploration of the link between leadership styles and innovation stages (Łukowski, 2017).

2.7 Theoretical Framework

The following theories speak to two of the identified pillars (innovation adoption and organisational culture):

Rogers' Diffusion of Innovations Theory

This theory speaks to the adoption of innovative technologies or ideas within an organisation. It shows that this adoption depends significantly on what the perceived attributes of the innovation are, what communication channels are used, and on social influence. Leadership styles influence these factors by either facilitating a quicker adoption process or hindering it through restrictive practices (Rogers, 2003)

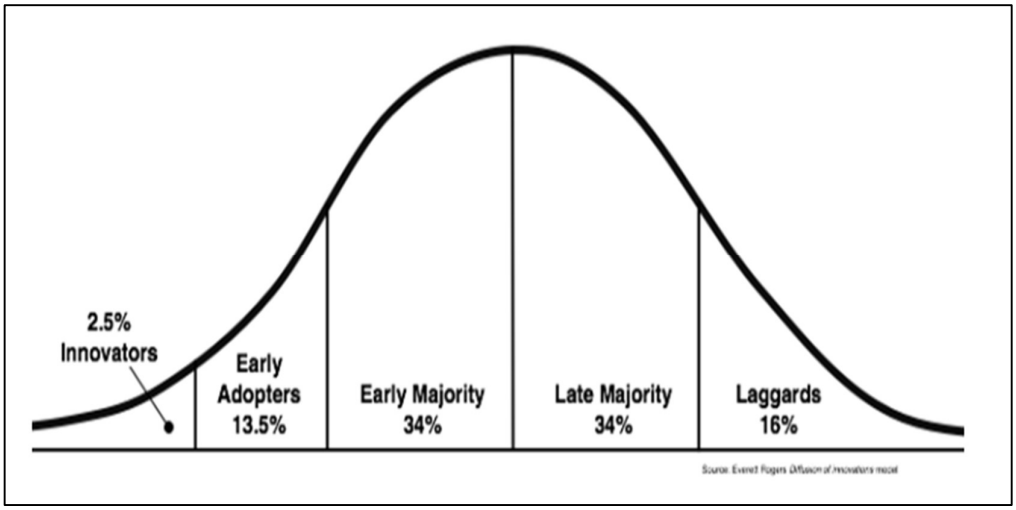


Figure 1: Rogers' Diffusion of Innovations Theory

Source: Rogers 2003

Schein's Model of Organisational Culture

Schein's theory provides insights into how leaders can shape or reinforce an organisation's culture. This theory suggests that leadership is pivotal in embedding an innovation-friendly culture within organisations, which in turn impacts the success of innovation management practices.

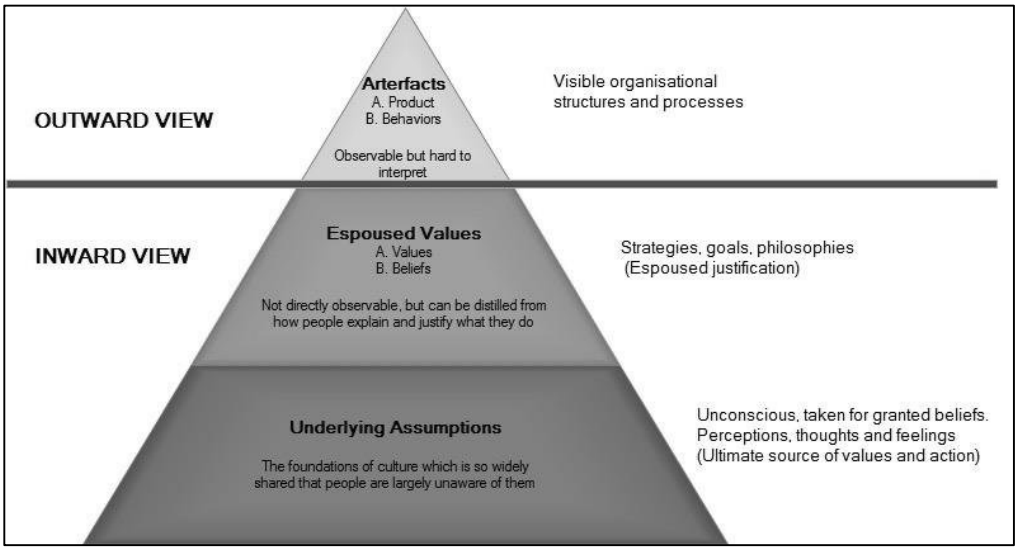


Figure 2: Schein's Model of Organisational Culture

Source: Schein 2010

2.8 Theoretical Justification and Comparative Relevance

The theoretical framework of this study is anchored in Rogers' Diffusion of Innovations Theory (Rogers, 2003) and Schein's Model of Organisational Culture (Schein, 2010), both of which align with the study's three selected innovation pillars—adoption, culture, and succession. Rogers' (2003) theory provides a structured lens through which to examine the adoption of innovations within organisations by focusing on five key attributes: relative advantage, compatibility, complexity, trialability, and observability. These elements are particularly relevant in evaluating how leadership influences innovation acceptance and implementation within an organization. Schein's (2010) model further compliments this by exploring how leaders shape organisational culture through artefacts, supported values, and underlying organizational assumptions. In the context of this study, Schein's theory is critical for understanding how leadership styles embed innovation into organisational norms and sustain innovation over time.

To strengthen the theoretical validity of this study, it is important to position these core frameworks in relation to other established theories. One referenced in this research is the Full Range Leadership Theory (FRLT), developed by Bass and Avolio (1994), which categorises leadership behaviours into transformational, transactional, and laissez-faire styles. While FRLT has been instrumental in defining the leadership styles investigated in this study, it lacks a specific focus on innovation processes or organisational culture, thus serving more as a leadership classification framework than a theory for innovation analysis. Similarly, another theoretical concept referenced Chesbrough's (2007) Open Innovation Theory is valuable for understanding how firms leverage external knowledge flows, partnerships, and boundary-spanning collaborations to innovate. However, it is less relevant in this study's internal focus on leadership influence and organisational innovation culture.

When considering broader frameworks such as Schumpeter's (1934) Theory of Economic Development and the Innovation Management Model by Tidd and Bessant (2009) as they also contribute valuable perspectives. Schumpeter's theory focuses on innovation as a key driver of macroeconomic development and creative destruction, but it lacks practical applicability to organisational leadership dynamics. While Tidd and Bessant (2009) provide a structured, process-oriented model for managing innovation, which is useful for understanding innovation capabilities within a framework, but does not account for the cultural and behavioural leadership influences explored in this research.

Below clarifies the alignment and limitations of each theory:

Table 1: Comparison of Theoretical Frameworks

Theory:	Primary Focus:	Strengths:	Limitations:
Rogers (2003) *Diffusion of Innovations Theory*	On Innovation adoption within social systems	Strong applicability to adoption speed, communication, and perception; directly relevant to Pillar 1	Does not address internal cultural embedding or long-term innovation succession
Schein (2010) *Model of Organisational Culture*	Leadership's role in shaping organisational values and an innovation culture	Critical for understanding culture-building and long-term innovation sustainability; aligns with Pillars 2 and 3	Limited focus on any external innovation dynamics or influence
Bass & Avolio (1994) *Full Range Leadership Theory (FRLT)*	Classification of leadership styles (transformational, transactional, laissez-faire)	Useful in defining the different leadership constructs	Does not account for innovation processes or organisational culture dynamics
Chesbrough (2007) *Open Innovation Theory*	External collaboration and knowledge inflow/outflow	Highlights value of partnerships and market-facing innovation	Focused on boundary-spanning, not internal leadership or culture
Schumpeter (1934) *Theory of Economic Development*	Innovation as an economic growth engine	Useful for macroeconomic framing in innovation assessment	Too broad for organisational-level leadership analysis
Tidd & Bessant (2009) *Innovation Management Model*	Structured innovation capabilities and systems	Supports innovation process understanding and framework modelling.	Does not directly incorporate leadership or cultural drivers

The selection of Rogers' and Schein's theories was both deliberate and contextually justified, aiming to offer a dual focus on innovation adoption and the organisational culture required to sustain it. While alternative frameworks provide complimentary insights, they are either too broad, externally focused, or insufficiently aligned with the leadership and cultural themes and relationships being investigated central to this study. The integrated use of both Rogers and Schein thus offers a coherent and theoretically aligned approach for analysing how transformational and participative leadership styles influence innovation management in South African private-sector organisations.

2.9 Conceptual Framework

The conceptual framework employed in this study encompasses a multifaced domain for evaluating the relationship between leadership, innovation management, influence, and macro-economic challenges (wicked problems). Figure 3 depicts a simplified view of the research framework.

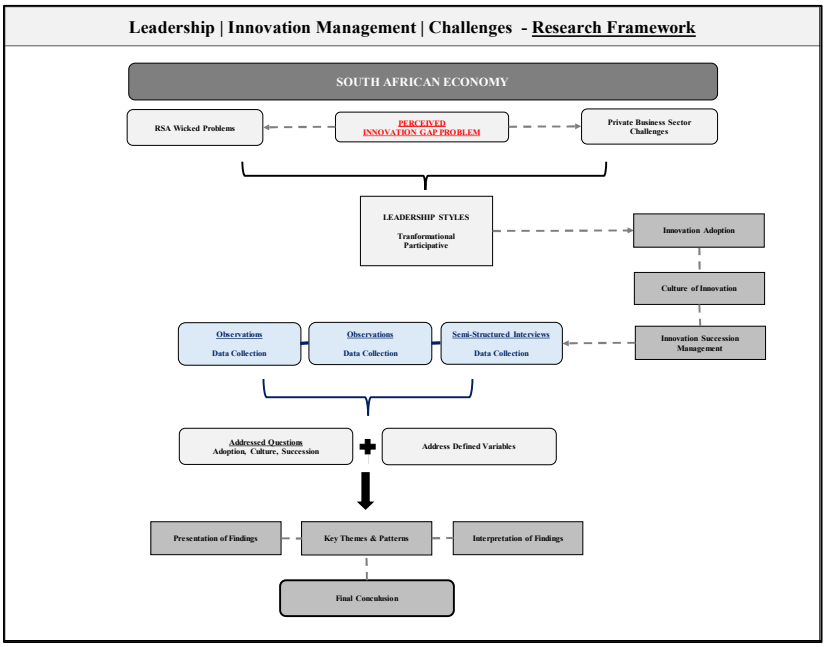


Figure 3: Leadership, Innovation Management and Challenges – Research Framework

Figure 4 depicts the relationship between leadership and innovation management in relation to the key aspects explored in this study.

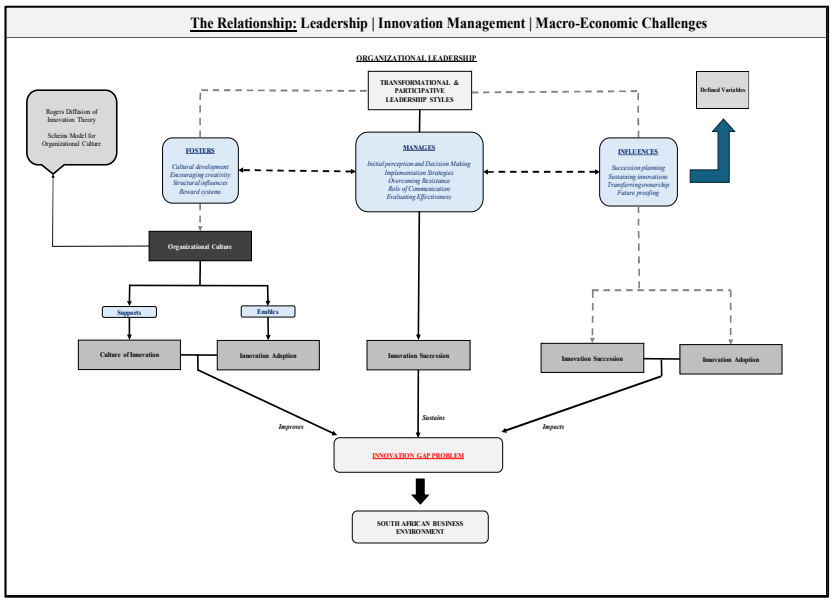


Figure 4: Relationship between Leadership and Innovation Management

2.10 Conclusion

Innovation is not only a technological challenge – it is a leadership imperative. South African businesses must cultivate a leadership culture that prioritises innovation, fosters inclusivity, and ensures long-term sustainability. Transformational and participative leadership styles offer complementary benefits, enabling businesses to accelerate innovation adoption, develop a culture of continual improvement, and navigate the challenges of an evolving business landscape. Without strong leadership commitment, the innovation gap will persist, limiting South Africa's ability to compete in an increasingly innovation-driven global economy. By embedding leadership-driven innovation strategies, organisations can ensure long-term competitiveness, resilience, and sustainable economic growth.

3 CHAPTER 3: RESEARCH METHODOLOGY

3.1 Research Design

This study employs a qualitative exploratory research design to examine the influence of transformational and participative leadership styles on innovation management within the South African private sector. Given the complexity of innovation management and its dependency on leadership strategies, a qualitative approach enables a deep exploration of leadership behaviours, organisational culture, and the mechanisms that facilitate or hinder innovation.

3.2 Research Approach

The research is inductive in nature, and aims to develop insights based on patterns observed in real-world business environments. Using semi-structured interviews, the study captures the perspectives of business leaders to identify recurring themes and establish a conceptual framework linking leadership styles to innovation outcomes.

3.3 Questions and Considerations (Possible Variables)

Each of the study's research question constitutes a range of variables to guide deeper insights:

1. How do transformational and participative leadership styles influence the speed and effectiveness of innovation adoption within an organisation?

   Considerations: Initial decision-making, speed, and effectiveness, overcoming resistance, initial perceptions

   By referring to Rogers' diffusion of innovations theory, the speed of innovation adoption based on employee perception and communication methods have been incorporated.

2. What role do these leadership styles play in fostering an organisational culture that encourages continual innovation and creativity among employees?

   Considerations: Culture of innovation, encouraging creativity, structural influences

   This question takes observations from Schein's model of organisational culture, which provides insights into how leaders can shape or reinforce an organisation's culture and how this can be directly aligned to innovation.

3. How do transformational and participative leaders manage innovation succession to ensure sustainability and evolution in organisational innovation management?

Considerations: Existing succession considerations, sustaining innovations, transfer of ownership, future-proofing innovations.

3.4 Sampling Strategy

A purposive sampling technique was used to select 12 business leaders from diverse industries, with a particular emphasis on sectors that rely heavily on technological innovation. Participants were chosen based on their leadership experience, involvement in strategic decision-making, and demonstrated expertise in innovation management.

Inclusion Criteria: Business leaders with at least ten years' leadership experience in innovation-driven industries

Exclusion Criteria: Leaders from non-private sector organisations or those without direct influence over innovation management decisions

Table 1 provides a profile of participants chosen for the study.

Table 2: Profile of Respondents (Purposive Sampling)

ARP INTERVIEW - PURPOSIVE SAMPLING						
#	Company	Title	Gender	Age	Leadership	Experience (Yrs)
1	Mobile ISP	CEO	Male	50	Transformative	30
2	Securiy Distribution	Sales Director	Male	65	Transformative	45
3	Financial Services Provider	Head of Technology	Male	62	Participative	40
4	SME	Founder and CEO	Male	38	Transformative / Participative	15
5	Office Automation	Executive Director	Male	52	Transformative	30
6	Projects Company	Sales & Marketing Director	Male	60	Participative	40
7	Global Manufacturer	Country Leader (Africa)	Male	45	Participative	25
8	Enterpise Group of Entities	CEO	Male	62	Transformative	42
9	SME	CEO	Male	40	Transformative / Participative	18
10	Global Manufacturer	EMEA Head	Male	44	Transformative	22
11	Start-Up	Founder / CEO / Engineer	Male	48	Participative	25
12	Start-Up	Head of Business Strategy	Male	44	Participative	24

3.5 Data Collection Methods

Primary data was collected through semi-structured interviews, which enabled flexibility in probing deeper into participants' experiences while maintaining a structured approach. The interviews focused on three core pillars of innovation management:

- Innovation Adoption – Exploring how leadership styles influence the speed and effectiveness of adopting new ideas.
- Organisational Culture of Innovation – Investigating leadership's role in fostering an innovation-friendly culture

- Innovation Succession – Examining leadership strategies for sustaining innovation practices over time.

Each interview lasted between 45 and 60 minutes and was conducted in a virtual or in-person setting. Participants provided informed consent, which ensured ethical compliance.

3.6 Data Analysis

A thematic analysis approach was employed to systematically identify and analyse patterns in the interview data. The following steps were undertaken:

- Transcription and Coding – All interviews were transcribed, and key themes were identified through open coding.
- Pattern Recognition – Recurring leadership behaviours and innovation challenges were categorised into themes aligned with the research objectives.
- Theoretical Alignment – The findings were interpreted using Rogers' diffusion of innovations theory (2003) and Schein's model of organisational culture (2010) to provide a structured theoretical perspective.
- Data visualisation techniques, such as heatmaps and radar charts, were used to illustrate leadership influence on innovation adoption, culture, and succession.

3.7 Reliability and Validity

To ensure trustworthiness of the research findings, the study incorporated the following measures:

- Triangulation – Findings were cross-validated using existing literature and theoretical frameworks.
- Member Checking – Participants reviewed and confirmed the accuracy of transcribed responses.
- Thick Description – Detailed narratives were used to provide contextual depth, improving transferability of results to similar business environments.

3.8 Ethical Considerations

This study adheres to the ethical research guidelines set by the University of the Witwatersrand. Ethical considerations include:

- Informed Consent – Participants were fully informed about the purpose and scope of the study before participation.

- Confidentiality – Identifiable information was anonymised to protect participant privacy.
- Voluntary Participation – Participants were assured of their right to withdraw from the study at any point without repercussions.

3.9 Limitations

While this research provides valuable insights, several limitations must be acknowledged.

- Sample Size – The study is limited to 12 participants, which may not fully represent the broader business sector.
- Subjectivity – As a qualitative study, findings are subject to researcher interpretation, though efforts were made to minimise bias.
- Industry-Specific Focus – The study's focus on innovation-driven industries may limit generalisability to more traditional business environments.

4 CHAPTER 4: PRESENTATION OF FINDINGS

The findings presented in this section provides an analysis of the role of leadership in innovation management through key themes derived from 12 semi-structured interviews with business leaders. The findings are categorised into three core pillars: Innovation Adoption, Culture of Innovation, and Innovation Succession. Furthermore, visual references are provided for an in-depth thematic analysis of the findings.

The following patterns were identified during the thematic analysis in each of the respective areas of focus (pillars) and their associated variables:

4.1 Pillar 1: Innovation Adoption

Decision-making is considered very strategic when introducing new innovations, with 8 out of 12 participants stating that innovation must align with organisational goals, market demands, and feasibility.

Key findings on "*Decision Making*": Leaders conduct pre-evaluation assessments, including financial viability, market readiness, and risk mitigation, before committing to new innovations. Transformational leaders focus on long-term impact, while participative leaders emphasise employee involvement in decision-making. More experienced leaders (those with more than 30 years' experience) tend to adopt a structured, risk-managed approach, whereas leaders with 10-20 years of experience show greater agility in decision-making.

Nine out of 12 leaders (75%) emphasised that leadership prioritisation significantly accelerates innovation implementation.

Key findings on "*speed and Effectiveness*": Clear strategic vision from leadership speeds up employee adoption. Organisations with participative leadership styles tend to adopt innovation faster due to employee inclusion and cross-functional collaboration. Resource allocation and executive sponsorship ensure smoother adoption, while adequate funding enhances speed of adoption.

Resistance to innovation, as well as resistance in all other areas of change within the business, remains a key challenge, with all 12 leaders (100%) identifying this as a significant hurdle to overcome.

Key findings on "*Overcoming Resistance*": Fear of the unknown, employee scepticism, cost concerns, and operational disruptions are major barriers. Transformational leaders are more likely to implement proof-of-concept trials, while participative leaders rely on employee engagement.

Seven out of 12 (58%) participants reported that early employee involvement significantly shapes perceptions.

Key findings on "*Shaping Perceptions*": Leaders use real-world case studies, testimonials, and open discussions to reduce scepticism. Executive buy-in and continual communication help to sustain positive perceptions.

These findings are visualised in the heatmap shown in Figure 5, which illustrates the frequency of themes mentioned across interviews and the low outcome considering the importance of perceptions.

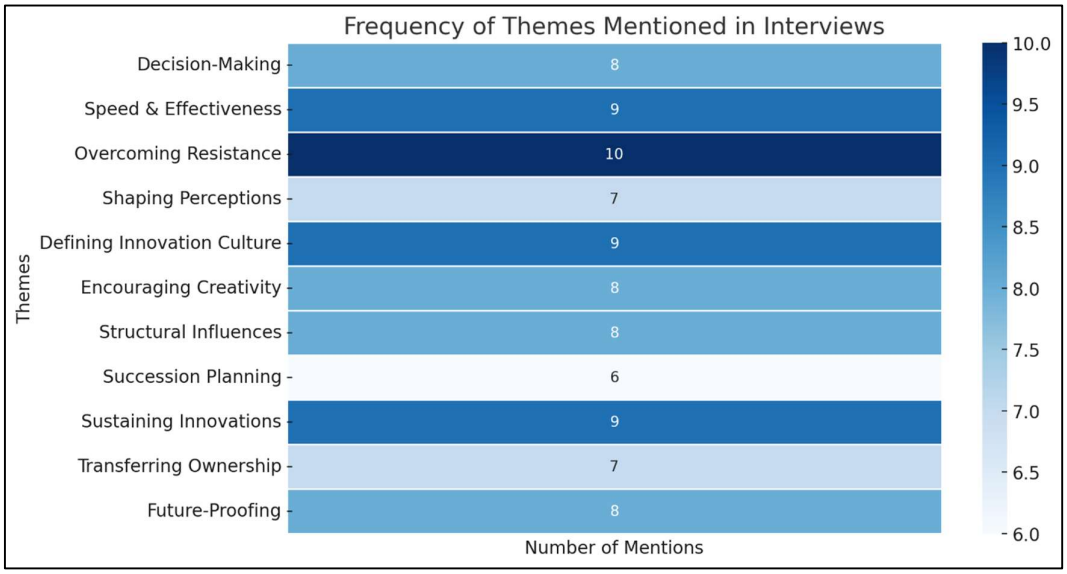


Figure 5: Frequency of key themes mentioned in interviews.

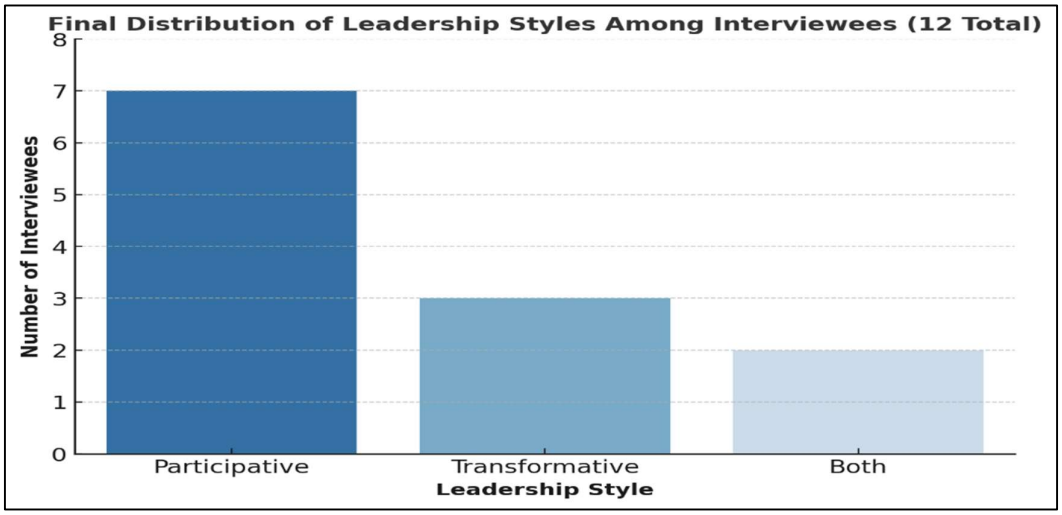


Figure 6: Distribution of Leadership Styles Among Interviewees

4.2 Pillar 2: Organisational Culture of Innovation

A significant 75% (9 of 12) leaders interviewed described an innovative culture as an environment of open dialogue, learning, empowerment, and risk-taking.

Key Findings on "*Defining Organizational Culture*": Hierarchical structures hinder innovation, whereas decentralised, collaborative models encourage creativity. Organisations that integrate innovation into daily operations experience higher levels of engagement. Leaders with more than 25 years' experience tend to view innovation as a top-down initiative, while leaders with 10-15 years' experience favour a decentralised approach.

67% of the leaders (8 of 12) identified creativity as essential for innovation success.

Key findings on "*Encouraging Creativity*": Creativity was encouraged through think tanks, ideation sessions, innovation hubs, financial incentives, performance-based recognition programmes, and embedding creativity into key performance indicators (KPIs) and performance evaluations.

67% of the leaders (8 of 12) suggested that rigid structures hinder innovation, while 25% (3 of 12) made no reference to rigidity or hindered innovation. This highlights a significant contributing factor to the innovation gap.

Key findings on "*Structural Influence*": Companies with flexible, cross-functional teams sustain long-term innovation. Bureaucracy and slow decision-making are cited as major blockers.

4.3 Pillar 3: Innovation Succession

Most leaders admitted that their organisations do not integrate innovation succession planning, with only 6 out of 12 leaders (67%) actively considering structured knowledge transfer.

Key findings on "*Formal Succession Planning*": Significant risks are loss of key innovation initiatives due to reliance on individual expertise and absence of structured handover processes, which causes disruptions.

75% of leaders (9 of 12) believed that sustaining innovations is important but that it is not actively pursued as it requires clear governance and structured innovation frameworks, regular post-implementation reviews to ensure longevity, and ongoing feedback loops to refine and improve innovations.

4.4 Leadership Influence on Innovation Management – Flowchart

Figure 7 illustrates the influence of leadership on innovation management.

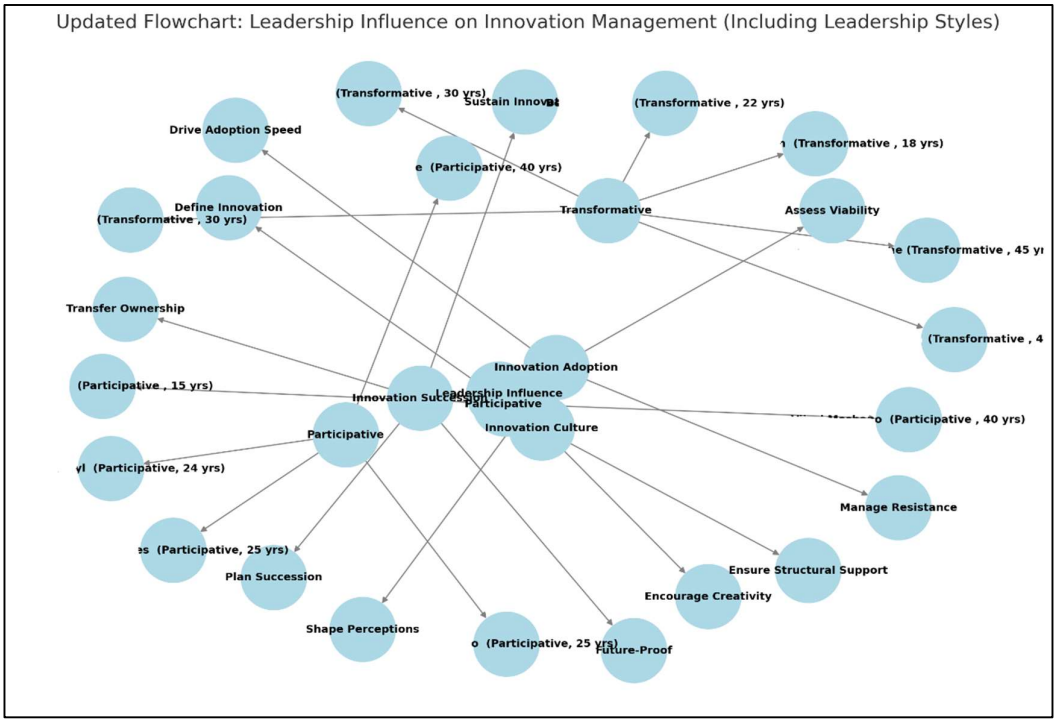


Figure 7: Influence of Leadership on Innovation Management – Flowchart

Innovation Adoption

Assess viability → Drive adoption speed → Manage resistance → Shape perceptions.

Innovation Culture

Define innovation → Encourage creativity → Ensure structural support.

Innovation Succession

Plan succession → Sustain innovations → Transfer ownership → Future-proof.

4.5 Impact of Leadership Styles on Innovation Management – A Comparative Analysis

The analysis contained in Table 2 compares the effectiveness of participative leadership, transformational leadership, and a hybrid approach (both participative and transformational) in fostering innovation adoption, cultivating an innovation culture, and ensuring innovation succession.

Table 3: Comparative Analysis (Leadership Styles and Innovation Management)

Leadership Style	Impact on Innovation Adoption	Impact on Innovation Culture	Impact on Innovation Succession
Participative (7)	Employee-driven decision-making; fosters collaboration and buy-in	Encourages open communication, inclusion, and bottom-up innovation	Struggles with structured succession but fosters shared ownership of innovation
Transformational (3)	Visionary, rapid decision-making, and bold risk-taking	Creates a high-impact innovation culture but may centralise power	Ensures structured innovation succession but may lack grassroots continuity
Hybrid (2)	Balances risk-taking with inclusion, ensures engagement and strategic alignment	Encourages both visionary leadership and collaborative execution	Strengthens succession through structured planning and distributed ownership

Innovation Adoption

Participative leadership fosters an inclusive approach to innovation adoption, and emphasises employee collaboration. However, decision-making can be slower due to the need for consensus and cross-team collaborations. Transformational leaders drive innovation adoption more rapidly but may face resistance due to what may be perceived by employees as a top-down or hierarchal approach.

Innovation Culture

Participative leadership creates an innovation culture rooted in collaboration, transparency, inclusivity, and empowerment, which fosters long-term engagement. Transformational leaders instil a bold and often disruptive culture, which often leads to rapid but sometimes unsustainable change. Hybrid leaders achieve optimal cultural balance, and ensure that both strategic direction and grassroots innovation thrive.

Innovation Succession

Participative leadership lacks structured succession planning, as innovation tends to be distributed across teams without formal continuity mechanisms; this leadership style does not

foresee the need to govern this succession with policy. Transformational leaders focus on long-term sustainability, often ensuring succession through clear innovation roadmaps, documented business strategies and frameworks, and ongoing leadership mentorship. Hybrid leaders blend succession planning with decentralised innovation ownership, which ensures both visionary continuity and collaborative execution.

Figure 8 presents a visual representation of the impact of leadership styles on innovation management.

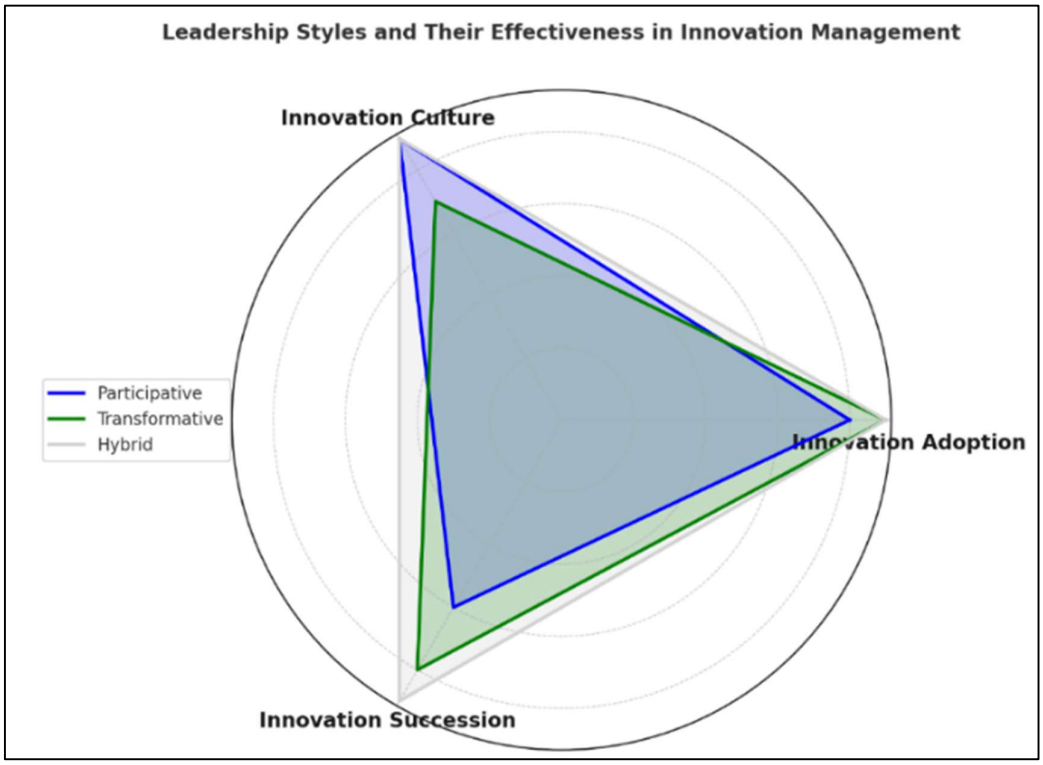


Figure 8: Radar Chart – Impact of Leadership Styles on Innovation Management

4.6 Evidence

The findings of this study align with established leadership and innovation theories, particularly Rogers' diffusion of innovations theory (2003) and Schein's model of organisational culture (2010), which provide a structured framework to interpret how leadership styles influence innovation adoption, organisational culture, and innovation sustainability. By integrating insights from semi-structured interviews with business leaders and referencing previous studies, this section presents notable evidence that demonstrates how transformational and participative leadership styles impact innovation management in South African businesses and further address larger macro-economic challenges. Through direct participant quotes and references to prior research, the findings and interpretations illustrate leadership's role in

fostering a culture of innovation, overcoming resistance, and ensuring long-term innovation sustainability. The evidence presented further contextualises these findings within the three pillars of innovation management – adoption, culture, and succession – reinforcing the critical role of leadership in bridging South Africa's innovation gap.

Innovation Adoption

The findings identify leadership as a crucial factor in driving innovation adoption within South African businesses. This is supported by Ossai (2021), who finds that transformational leadership significantly correlates with innovation performance in SMEs. Similarly, Łukowski (2017) suggests that participative leadership fosters an environment where innovation flourishes through inclusivity and shared decision-making. Responses from experienced leaders support this finding.

Participant 001: *"If it doesn't take priority, then it doesn't get the recognition it deserves, it falls away completely… Unless you give it the sunshine, it's not going to happen. It is almost like leading by example."*

Participant 004: *"South Africa is a very hard place to be innovative because of the challenges we face. Access to capital, talent retention, and the bureaucratic nature of approvals make adoption difficult."*

Innovation Culture

Leaders need to cultivate an organisational culture that supports innovation. Transformational leaders achieve this by setting clear goals, encouraging cross-functional collaboration, and creating a psychologically safe environment. Participants commented on this aspect as follows:

Participant 3: *"If they know what we are doing and the support comes from the top down, resistance is far less. Everyone gives their best when leadership sets the perception and direction."*

Participant 5: *"A culture of innovation is an environment where creativity, experimentation, and continuous improvement are embedded in the organisation's DNA. It encourages employees to challenge the status quo."*

Innovation Succession

A common theme was long-term sustainability of innovation efforts and ensuring that leadership transitions do not disrupt progress. In this regard, interview participants responded as follows:

Participant 8: *"We lost that sense of culture and innovation over time. We are now trying to bring it back, but it is much harder when you lose it. Keeping that culture consistent is key to long-term success."*

Participant 10: *"Leadership succession must include innovation management. If it is not baked into the DNA of the organisation, it fades as soon as a new leader comes in with a different vision."*

This is further substantiated by the studies of Łukowski (2017) and Ossai (2021). Łukowski (2017) suggests that effective succession planning must include innovation frameworks to ensure continuity despite leadership transitions, while Ossai (2021) supports the need for formalised knowledge-transfer mechanisms.

5 CHAPTER 5: INTERPRETATION OF FINDINGS

This study's findings are interpreted in the context of the research questions that guide the study in conjunction with the themes that emerged from the interviews.

5.1 Leadership Influence on Innovation Adoption

Question 1: How do transformational and participative leadership styles influence the speed and effectiveness of innovation adoption within an organisation?

The findings indicate that leadership style significantly affects the rate, effectiveness, and overall success of innovation adoption. Transformational leaders accelerate implementation by applying their vision and strategic influence to facilitate change. These leaders focus on aligning innovation with long-term goals, and ensure that new initiatives are implemented swiftly and effectively. Conversely, participative leaders foster collaboration by involving employees in decision-making before implementing innovations. This inclusive leadership style fosters greater employee buy-in but can slow down the adoption process due to the need for consensus and broader engagement.

A key factor influencing innovation adoption is initial decision-making. Transformational leaders tend to make strategic, top-down decisions about innovation, assessing its long-term impact, feasibility, and alignment with business objectives. They rely on their ability to inspire and influence teams, ensuring that employees embrace change as part of the organisation's strategic vision. Participative leaders, however, encourage employee involvement in the preliminary stages of decision-making, ensuring that innovation aligns with their teams' skills, perceptions, and operational needs. While this approach increases acceptance, it may also lead to a slower adoption process as multiple stakeholders contribute to the decision.

The speed and effectiveness of innovation adoption depends on leadership prioritisation and resource allocation. 75% of interviewed leaders emphasised that clear strategic direction and executive sponsorship significantly accelerate innovation implementation. Organisations with participative leadership styles experience higher employee engagement but slower decision-making, as leaders facilitate dialogue and consensus-building before making commitments. In contrast, transformational leaders drive faster adoption by taking decisive action, allocating necessary resources, and maintaining a purposeful approach.

The findings support Rogers' (2003) diffusion of innovations theory, which emphasises that the perceived advantages of innovation, communication methods, and leadership influence

play a significant role in adoption speed by moving employees through the stages of innovation diffusion as fast as possible (from early adopters to early and late majority).

Employee resistance to innovation emerged as a consistent challenge to innovation adoption across all interviews, along with employee concerns about job security. Transformational leaders address this challenge by employing proof-of-concept trials to showcase the tangible benefits of innovation. By providing employees with small-scale exposure to new initiatives, they reduce uncertainty and demonstrate the practical advantages of adoption. Participative leaders, on the other hand, mitigate resistance through open communication and employee engagement sessions, which ensures that employees feel included in decision-making and understand the value of innovation.

The findings align with Schein's (2010) model of organisational culture, which suggests that leadership must create a culture of psychological safety and openness to encourage innovation acceptance. Leaders who communicate transparently and integrate employees into the innovation journey are more likely to overcome resistance effectively. Additionally, the findings support Rogers' (2003) theory, which posits that peer influence and strategic communication can significantly impact the rate of innovation acceptance.

Furthermore, employee perceptions play a crucial role in determining the success of innovation adoption. The study finds that 58% of interviewed leaders believe that early employee involvement is essential in shaping positive perceptions (this can be considered low). Transformational leaders rely on storytelling and case studies, illustrating how innovation aligns with business success and employee growth. They use compelling narratives to create enthusiasm and reduce scepticism. Participative leaders approach perception management through engagement-driven strategies, encouraging employees to share their concerns and ideas, thus creating a sense of ownership of new innovations. The findings reinforce Rogers' diffusion of innovations theory (2003), which emphasises that innovation adoption is heavily influenced by how innovative ideas are communicated and received within the organisation. Effective leaders ensure that employees see innovation not as a disruption but as an opportunity for professional development and business growth.

5.2 Leadership Influence on Fostering an Innovation Culture

Question 2: What role do these leadership styles play in fostering an organisational culture that encourages continual innovation and creativity among employees?

An innovation-driven culture thrives on openness, collaboration, and leadership empowerment. 75% of leaders in the study described innovation culture as an environment that encourages

experimentation and learning. Transformational leaders establish innovation as core to the business strategy, embedding it into performance metrics and long-term objectives. Participative leaders cultivate a bottom-up innovation culture, which enables employees to contribute ideas and take part in shaping innovation initiatives. Schein's model of organisational culture (2010) suggests that leaders define the norms, values, and behaviours that drive innovation. This study's findings support this, showing that leaders who reinforce an innovation-positive culture through strategic vision and employee inclusion create more resilient and adaptive organisations.

Sustained innovation depends on fostering creativity. The findings of this study indicate that 67% of leaders implement structured programmes such as innovation think tanks, ideation workshops, and employee-driven projects. Transformational leaders promote creativity by offering rewards and incentives for innovative thinking, while participative leaders foster a culture of creativity through collaborative idea-generation processes.

Organisational structure plays a significant role in determining how well innovation can thrive. The study reveals that 67% of leaders believe that hierarchical and rigid structures hinder innovation, and creates bureaucratic barriers that slow down idea implementation. Participative leaders advocate for decentralised decision-making and empower employees to take ownership of innovation efforts. Transformational leaders focus on realigning business structures to improve agility and responsiveness to change.

5.3 Leadership Influence on Innovation Succession

Question 3: How do transformational and participative leaders manage innovation succession to ensure sustainability and evolution in organisational innovation management?

The study highlights a lack of structured succession planning for innovation, with 67% of leaders admitting that their organisations do not have structured mechanisms for ensuring long-term sustainability. Transformational leaders embed succession planning into innovation strategies by ensuring knowledge is documented and transferred through leadership mentorship programmes. Participative leaders focus on team-based knowledge-sharing and creating collective ownership of innovation projects.

Innovation sustainability relies on continual evaluation, governance, and learning programmes. 75% of leaders emphasised that regular reviews and structured innovation roadmaps help organisations maintain a competitive advantage.

While 58% of leaders support formal ownership transfer, many organisations still lack structured processes for ensuring continuity. Transformational leaders enforce documented handover strategies, while participative leaders emphasise mentorship and knowledge-sharing.

5.4 Addressing the Challenges of South Africa's "Innovation Gap"

South Africa's innovation gap is characterised by slow innovation and technology adoption rates, cultural barriers to innovation, and limited supportive leadership policies. Aligning leadership strategies with innovation management is crucial to closing South Africa's innovation gap. The findings of this study suggest that transformational and participative leadership styles are instrumental in overcoming barriers to innovation adoption, fostering a culture of continual innovation, and ensuring sustainability in innovation practices. Furthermore, a strong innovation culture led by initiative-taking leadership can have a profound effect on addressing South Africa's wicked macro-economic challenges, including unemployment, economic stagnation, and global competitiveness.

Leadership plays a crucial role in accelerating innovation adoption to bridge this gap. According to Rogers' diffusion of innovations theory (2003), leadership influences the rate of adoption through relative advantage, compatibility, complexity, trialability, and observability.

Participant 005: *"Innovation management is critical to long-term sustainability… without leadership prioritising it, businesses remain stagnant."*

A lack of innovation culture in South African businesses is a fundamental reason for the stagnation in economic progress. Schein's model of organisational culture (2010) explains that leaders shape innovation culture through three levels: artefacts (visible processes), espoused values (stated priorities), and basic assumptions (deeply ingrained behaviours). A strong culture of innovation led by transformational and participative leaders can drive job creation, especially among youth and underprivileged communities, by fostering entrepreneurial thinking and critical thinking skills. Additionally, by embedding innovation into organisational DNA, companies can develop locally relevant solutions to challenges such as energy crises, digital transformation, and service delivery inefficiencies – all major factors limiting South Africa's global competitiveness.

5.5 Case Study References (Supporting Evidence):

These case studies provide real-world examples of how transformational and participative leadership styles have been applied to drive innovation management across diverse organizational contexts. By examining specific instances where leadership influenced innovation adoption, culture, and succession, this section illustrates the tangible impacts of strategic leadership decisions. Ultimately, these references serve to bridge the gap between theory and practice, offering valuable lessons and evidence that can inform both future research and policy development in addressing South Africa's innovation challenges.

Mobile ISP – Strategic Innovation in Telco Services

Participant Reference: Interview Record #001

Leadership Style: Transformational/Participative (Hybrid)

Key Innovation Impact:

This leader played a pivotal role in driving service innovation rather than product innovation. He was instrumental in impacting the speed and effectiveness of the new direction. Early adoption of new methodologies was instrumental, and was achieved through graduate recruitment to drive industry expertise. A similar real-world case study is IBM's business model transformation; IBM transitioned from a hardware company to a service-based model through leadership-driven innovation (Chesbrough, 2007).

Financial Services Provider – Innovation in Security Technology

Participant Reference: Interview Record #003

Leadership Style: Transformational/Participative (Hybrid)

Key Innovation Impact:

This leader identified a gap in electronic security and technology, transitioning from physical security to a digital innovation framework. Employee empowerment played a leading role in adopting new innovations through early collaboration. A real-world case study reference is GE's shift from industrial to digital transformation – Jeff Immelt's leadership in moving GE toward industrial Internet of Things (IoT) and AI (Immelt, Govindarajan, & Trimble, 2009).

Office Automation Company (Covid Impact) – Incentivising Innovation Culture

Interview Reference: Interview Record #005.

Leadership Style: Transformational/Participative (Hybrid)

Key Innovation Impact:

This involved reward-driven innovation through financial incentives and KPI-based performance tracking. A structured approach was used in defining an innovation management process that aligns with market trends and the relevant internal feasibility analysis. A real-world case study reference is Google's 20% Rule – Google encouraged employees to dedicate 20% of their time to innovation, leading to projects like Gmail and Google Maps (Bock, L, 2015).

5.6 Recommendations for Future Research

A key area for further research is the long-term impact of leadership styles on innovation sustainability and business performance. While existing studies, including this one, have explored how transformational and participative leadership styles influence the adoption of innovation, there remains a gap in understanding how these leadership approaches contribute to the longevity and continuity of innovation efforts over an extended period. Many organisations successfully implement innovative strategies in the short term, but maintaining momentum and ensuring that innovation becomes embedded in the organisation's culture is a greater challenge. Future research could examine how leadership decisions, succession planning, and cultural reinforcement affect an organisation's ability to sustain innovation over five to ten years.

Another crucial aspect that requires deeper investigation is the relationship between leadership and digital transformation. With technological advancements such as AI, automation, and big data analytics becoming fundamental to modern businesses, leadership's role in managing this transition is more critical than ever. Future research could explore how different leadership styles facilitate or hinder digital transformation and whether transformational leadership, which emphasises vision and inspiration, is more effective than participative leadership, which fosters collaboration and inclusivity. A longitudinal study tracking organisations undergoing digital transformation could provide valuable insights into leadership's effectiveness in adapting to evolving technological landscapes.

Additionally, further research should investigate the impact of leadership development programmes on fostering an innovation-driven culture. While organisations invest significantly in leadership training, there is limited empirical evidence on whether such initiatives effectively translate into sustained innovation practices and employee engagement. A study examining businesses before and after leadership training interventions could provide measurable insights into how these programmes influence leaders' ability to drive continual innovation, shape organisational culture, and encourage risk-taking.

6 CHAPTER 6: CONCLUSION

In an era where innovation is a key determinant of business success and economic resilience, South African companies continue to grapple with a widening innovation gap that threatens their long-term competitiveness. The findings of this study underscore a crucial truth: leadership is the single most influential factor in determining how effectively businesses adopt, sustain, and integrate innovation into their organisational DNA. Through the exploration of transformational and participative leadership styles, this study demonstrates that innovation is not simply a function of external market pressures or technological advancements – it is, at its core, a leadership challenge. Businesses that fail to cultivate innovation-focused leadership will continue to struggle with slow adoption rates, cultural resistance, and the inability to sustain innovation practices over time. Conversely, organisations that actively align leadership strategies with innovation management will secure a future characterised by adaptability, resilience, and sustained competitive advantage.

The Leadership Imperative for Innovation Management

Innovation does not occur in isolation. It is not merely the result of technological investments or R&D efforts; it is shaped by how leaders inspire, facilitate, and institutionalise change. In organisations where leadership embraces innovation as a strategic priority, there is a noticeable acceleration in the adoption of innovative ideas and an increased willingness among employees to engage in innovation-driven activities. This study confirms that the presence of an innovation-positive leadership culture significantly influences an organisation's ability to remain competitive in a rapidly evolving market.

Transformational leadership has been highlighted as particularly effective in driving innovation adoption and shaping forward-thinking organisations. These leaders create a compelling vision for change, fostering a sense of purpose that inspires employees to embrace new ways of thinking and operating. They prioritise innovation by integrating it into their long-term strategic vision, and ensure that it is not merely seen as an isolated initiative, but rather as a core business function.

Participative leadership, on the other hand, is instrumental in building an inclusive innovation culture that empowers employees at all levels to contribute ideas and take ownership of innovation initiatives. By emphasising collaboration and decentralised decision-making, participative leaders create an environment where employees feel valued, engaged, and motivated to drive innovation. This leadership style enhances organisational agility, enabling companies to adapt to change more effectively and sustain innovation over time.

Bridging the Innovation Gap Requires Leadership Commitment

The South African business landscape is marked by economic volatility, regulatory challenges, and shifting market demands. These complexities make innovation a necessity rather than a luxury. However, despite widespread recognition of the importance of innovation, many businesses fail to translate this understanding into action. This failure does not stem from a lack of resources or capability but rather from an absence of leadership-driven innovation strategies.

One of the most significant challenges identified in this study is the gap between leadership intent and execution. While many business leaders acknowledge the need for innovation, fewer actively embed it into organisational structures, governance frameworks, and performance metrics. This disconnect results in innovation efforts that are inconsistent, short-lived, or lacking in strategic alignment. To close the innovation gap, South African businesses must recognise that leadership commitment to innovation is not optional – it is imperative. Innovation must be championed at the highest levels of the organisation, with leaders actively driving and sustaining change rather than delegating it to innovation teams or research departments. Without this leadership commitment, innovation efforts will remain fragmented, reactive, and ineffective.

A Culture of Innovation is the Foundation for Sustainability

Beyond leadership intent, this study reinforces the idea that organisational culture plays a defining role in whether innovation succeeds or fails. An organisational culture that rewards creativity, tolerates risk, and encourages continual learning is essential for fostering sustainable innovation practices. However, many organisations operate within rigid, hierarchical structures that inhibit innovation and discourages employees from experimenting with innovative ideas or challenging established processes.

Transformational and participative leaders have a unique opportunity to reshape these cultures by embedding innovation into the very fabric of the organisation. This requires moving beyond traditional leadership approaches and embracing a leadership philosophy that prioritises agility, adaptability, and empowerment. Businesses that cultivate an open, innovation-driven culture are better positioned to withstand disruptions, capitalise on emerging opportunities, and sustain long-term growth.

Innovation Succession is the Missing Link

While leadership can drive innovation adoption and shape an innovation-friendly culture, the long-term sustainability of innovation is dependent on structured succession planning. One of the most critical gaps identified in this study is that many organisations fail to institutionalise

innovation succession, which leaves it vulnerable to leadership transitions, shifting market conditions, and organisational restructuring. A business that lacks structured innovation succession planning risks losing its competitive edge when key innovation champions exit the organisation. Without clear mechanisms for transferring knowledge, maintaining innovation initiatives, and ensuring continuity, even the most promising innovation efforts can fade over time. To address this, organisations must develop formalised processes for knowledge transfer, mentorship, and innovation governance. Leaders must ensure that innovation is not tied to individuals but rather embedded within organisational processes and strategic frameworks. Only by doing so can businesses safeguard their innovation capabilities and ensure long-term resilience.

Innovation is a Leadership Imperative, Not a Choice

The findings of this study reinforce an undeniable reality: South African businesses cannot afford to be passive in their approach to innovation. The innovation gap will not close on its own; it requires deliberate, strategic, and leadership-driven action. Organisations that fail to prioritise leadership-led innovation risk falling behind in an increasingly competitive global economy. Leadership is the catalyst for innovation. The ability to adopt, foster, and sustain innovation is determined not just by market conditions or industry trends, but by how effectively leaders drive the innovation agenda within their organisations. Transformational and participative leadership styles offer distinct but complementary approaches to ensuring that innovation is not just an aspiration but a core strategic function.

Innovation is not an abstract concept; it is a leadership mandate. The future belongs to those who lead with vision, act with purpose, and innovate with conviction.

7 CHAPTER 7: JOURNAL NOMINATIONS

This research is considered suitable for submission to the *South African Journal of Business Management* (SAJBM) or the *Southern African Journal of Entrepreneurship and Small Business Management* (SAJESBM) with AOSIS Publishing.

South African Journal of Business Management (SAJBM)

Scope & Fit: SAJBM publishes empirical and theoretical contributions in all areas of business and management within the South African and broader African context.

Rationale: This study aligns with the journal's focus by addressing the impact of transformational and participative leadership on innovation adoption, culture, and sustainability in South African private-sector businesses. The integration of Rogers' and Schein's frameworks provides a theoretical grounding appropriate for SAJBM's scholarly audience.

Submission Format: Articles are expected to be between 6,000 and 10,000 words, following a structured format: abstract, introduction, methodology, results, discussion, and conclusion. APA 7th referencing style is required.

Journal Link: https://sajbm.org

Southern African Journal of Entrepreneurship and Small Business Management (SAJESBM)

Scope & Fit: SAJESBM focuses on entrepreneurship, innovation, and small business management, with an emphasis on applied research that contributes to economic development in Southern Africa.

Rationale: The research's exploration of leadership influence on innovation practices offers practical implications for SMEs and aligns with the journal's developmental and innovation focus. The qualitative design and regional emphasis further enhance its suitability.

Submission Format: Manuscripts should not exceed 6,000 words and must include an abstract, introduction, methods, findings, and conclusion. APA 7th edition referencing is required.

Journal Link: https://sajesbm.co.za

8 CHAPTER 8: REFERENCES

Afsar, B., & Umrani, W. A. (2020). Transformational leadership and innovative work behaviour: the role of motivation to learn, task complexity and innovation climate. European Journal of Innovation Management, 23(3), 402-428. https://doi.org/10.1108/EJIM-12-2018-0257

Baker, J. P., & Hoidn, S. (2023). Transformational leadership and innovation management. Oxford University Press. https://global.oup.com/academic/product/transformational-leadership-and-innovation-management-9780198851440

Bass, B. M., & Avolio, B. J. (1994). Improving organizational effectiveness through transformational leadership. Sage Publications.

Bock, L. (2015). Work rules! Insights from inside Google that will transform how you live and lead. John Murray Publishers.

Boyles, M. (2022, March 8). Innovation in business: *What it is & why it's so important. Business Insights Blog*. https://online.hbs.edu/blog/post/importance-of-innovation-in-business

Burger, S. (2023, December 7). South African companies face challenges to compete globally, digital innovation index shows. Engineering News. https://www.engineeringnews.co.za/article/south-african-companies-face-challenges-to-compete-globally-digital-innovation-index-shows-2023-12-07

Chesbrough, H. (2007). Business model innovation: it's not just about technology anymore. Strategy & Leadership, 35(6), 12-17. https://doi.org/10.1108/10878570710833714

Dellova, R. I., & Tian, Y. (2024). Fostering innovation: exploring key factors and their relationship on organizational performance towards innovation management culture. Organization and Human Capital Development, 3(1), 1-15. https://doi.org/10.31098/orcadev.v3i1.1940

Dludla, N. (2024, August 27). South African digital platforms need testing grounds to speed innovation, report says. Reuters. https://www.reuters.com/world/africa/south-african-digital-platforms-need-testing-grounds-speed-innovation-report-2024-08-27/

Gibson, K. (2023, April 14). It's time to close the innovation gap. https://it-online.co.za/2023/04/14/its-time-to-close-the-innovation-gap/#:~:text=This%20reveals%20an%20innovation%20perception%20gap%20as%20the,can%20be%20defined%20as%20Innovation%20Leaders%20and%20Adopters

González, B., Moral-Benito, E., & Soler, I. (2023). Schumpeter meets Goldilocks: the scarring effects of firm destruction. SERIEs: Journal of the Spanish Economic Association, 14(3), 555-577-23. https://doi.org/10.1007/s13209-023-00273-3

Harvard Business Review. (2022). Innovation management. Retrieved from https://hbr.org/topic/innovation

Herbst, D., & Barnard, B. (2016). Innovation management in South Africa: An inquiry. Journal of Management and Sustainability, 6(3), 34–43. https://www.ccsenet.org/journal/index.php/jms/article/view/60636

Hudson, K. (2014, March 14). What is the best definition of innovation? https://drkenhudson.com/best-way-define-innovation/

Immelt, J. R., Govindarajan, V., & Trimble, C. (2009). How GE is disrupting itself. Harvard Business Review, 87(10), 56–65. https://hbr.org/2009/10/how-ge-is-disrupting-itself

Legrand, C., & Weiss, D. S. (2011, July/August). How leaders can close the innovation gap. Ivey Business Journal. https://iveybusinessjournal.com/publication/how-leaders-can-close-the-innovation-gap/

Łukowski, W. (2017). The impact of leadership styles on innovation management. Marketing Instytucji Naukowych i Badawczych, 24(2), 105-136.

Meeus, M. T. H., & Oerlemans, L. A. G. (2000). Firm behaviour and innovative performance: an empirical exploration of the selection-adaptation debate. Research Policy, 29(1), 41-58.

Organisation for Economic Co-operation and Development (OECD). (2005). Oslo manual: guidelines for collecting and interpreting innovation data (3rd ed.). OECD Publishing.

Ossai, E. C. (2021). Relationship between leadership style and innovation performance in small-to-medium-scale enterprises in Nigeria. Doctoral dissertation, Walden University, Minneapolis.

Rogers, E. M. (2003). Diffusion of innovations (5th ed.). Free Press.

Schein, E. H. (2010). Organizational culture and leadership (4th ed.). Jossey-Bass.

Schumpeter, J. A. (1934). The theory of economic development: Harvard University Press.

Tidd, J., & Bessant, J. (2009). Managing innovation: Integrating technological, market, and organizational change (4th ed.). John Wiley & Sons.

Ujwary-Gil, A. (2017). The impact of leadership styles on innovation management in Polish companies. Marketing of Scientific and Research Organizations, 24(2), 105–136.