Strategic leadership and team innovation: a qualitative study from the lens of leader–member exchange

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Abstract

Purpose – This study aims to investigate the factors influencing team innovation from the perspective of strategic leaders. The study draws from the leader–member exchange (LMX) theory to propose that the quality of exchange the leaders perceive with the team members may provide a useful cue to identify the key elements and processes that may help drive team innovation.

Design/methodology/approach – A qualitative study using a hybrid approach was used, and a thematic analysis was performed. The data were based on 25 interviews collected from strategic leaders using the long interview technique.

Findings – The findings revealed themes and factors influencing innovation orientation among leaders and team members. Five themes were identified, namely modeling leadership behavior, autonomy and psychological safety for teams, organizational structure and technology, innovation and the decision-making process and innovation during times of uncertainty.

Research limitations/implications – Because of the purposefully chosen sample of only leaders who were involved in the innovation process, the research results may lack generalizability. Therefore, researchers are encouraged to corroborate the finding using a sample of teams involved in the innovation process.

Practical implications – A conceptual model is proposed with guidance for implementing innovation decisions and strategies in practice.

Originality/value – While the strategic leadership and team innovation literature emphasizes the interaction between leaders and team members, research on how these interactions unfold is still nascent. This paper fulfills these needs from a strategic leader’s perspective.

Keywords Strategic leadership, Thematic analysis, Team innovation, Leader–member exchange, Qualitative study

Paper type Research paper

1. Introduction

Team innovation involves introducing and applying useful ideas, processes, products, or procedures that are new to the team and designed to help the team and the organization (Hülsheger et al., 2009; Jiang et al., 2022a, b; Jiang and Chen, 2018; West, 2002). Several researchers have studied team innovation and its relationship with team diversity, team climate, tenure, team creativity, team member exchange and team size, within-group/out-group ties at the team level (Hashmi et al., 2017; Weiss et al., 2018) and leadership and organizational climate are the other factors at the organizational level that are significant predictors of team innovation (Zaitouni and Ouakouak, 2018).

Strategic leaders of the organization authorize innovative initiatives, budget and allocate resources (Cortes and Herrmann, 2021; Elenkov and Manev, 2005; Wang et al., 2016). Still, leadership and team innovation research has focused only on direct/immediate supervisors or team leaders and have not focused on strategic leaders (CxO like CEO, CFO, CIO etc., BOD i.e. Board of Directors, TMT members and business heads) (Raes et al., 2013; Bernerth et al., 2016; Simsek et al., 2018). Team members here do not mean top management team (TMT); instead,
these are the teams at a different level (ground level) working on critical innovation projects. However, past studies suggest that top-level leaders may influence these team members directly or indirectly. Directly via one-on-one interaction - considering that top leader behavior or characteristics, accessibility of organizational resources and approachability to leaders have been shown to influence the team’s innovative performance and indirectly via middle management – cascading effect of top leaders-middle management – team members (Cortes and Herrmann, 2021; Henry et al., 2018; Simsek et al., 2018).

Innovation demands quick problem-solving. Therefore, quick interaction with top leaders, with or without middle management, is necessary (Martela, 2022). Settoon et al. (1996) have also highlighted the significance of not only the frequency of interaction but also the nature of employment contracts, which plays a significant role in developing high-quality exchange relationships. Even team-members with low leader–member exchange (LMX) who get a lot out of their formal contracts may feel obligated and willing to help the organization. Further, most research (Simsek et al., 2018) has discussed this phenomenon from a surface level, using indirect mechanisms to explain how it affects employee creativity and innovation. While individual innovativeness or employee level innovativeness is significant, our study centers on the collaborative and synergistic aspects of team innovation. It involves dynamic interplay, collective efforts and collaborative problem-solving that go beyond individual behaviors (Simsek et al., 2018; Cortes and Herrmann, 2021). Since innovations are high-priority and risky ventures, strategic leaders are found to pay careful attention to their teams (Simsek et al., 2018).

Consequently, processes with innovation-related activities and teams receive a lot of attention from strategic leaders (Chen et al., 2006). Strategic leaders who are seen as recognizing team members’ efforts are more likely to inspire them to interact with them by encouraging them to work together and innovate (Chen et al., 2006). Few studies have studied the interaction between the role of the team and the strategic leaders (Gilson et al., 2015; Neeley, 2015). In addition, Hughes (2018) noted that few researchers have examined how strategic leaders affect team innovation (Makri and Scandura, 2010). In the review, Cortes and Herrmann (2021) discussed how strategic leaders influence innovation opportunities for team members via their interaction patterns.

Taking a strategic leadership-team members interaction perspective, this study anchors on LMX theory to investigate what factors, according to strategic leaders, influence team innovation and how the strategic leader’s perceived quality of relationship with the team member influences team process and innovation. Using a qualitative method, the goal is not to test strategic leadership theory but to get deeper insights into the substantive issue.

The strategic leadership studies of significance that have been published in the strategic leadership literature are mainly from large established organizations in Western countries like the United States of America and from small and medium-sized enterprises (SMEs) in private non-USA firms (Cortes and Herrmann, 2021; Kraiczy et al., 2015; Lahiri et al., 2019). While at the same time, research on developing economies like India is limited (Lema et al., 2021). The context and rising changes in emerging economies necessitate an examination of the literature to determine the relevance of the current studies from the growing Asian context compared to the Western context (Demircioglu, 2017; Hage, 1999; Kimberly and Evanisko, 1981). For example, India, a country with high power distance, was considered risk-averse with a very rigid process (Farooq, 2017; Goswami et al., 2017; Rajapathirana and Hui, 2018). However, with the rise of government initiatives promoting innovation (Adhana, 2016; Satyanarayana et al., 2021), it has become critical to understand the key factors driving innovation in teams to tailor the strategies influencing team innovation. India’s collectivist culture values personalized connections (Berneth et al., 2016; Sinha and Sinha, 1990). Thus, the activities of leaders and team members in Indian organizations are influenced by their personal connections with their peers, co-workers, or leaders in an organization. Understanding how the team innovation concept is perceived and experienced from a qualitative perspective is important.
Consequently, the purpose of this study is to comprehend, from the strategic leader’s vantage point, what drives team innovation. This leads to our research questions.

**RQ1.** What are the facilitating /inhibiting factors strategic leaders perceive to be important for team innovation?

**RQ2.** What role does strategic leadership play in facilitating team innovation in the Indian context?

The study makes several contributions to management literature. First, our results provide a theoretical contribution by outlining strategic leaders’ crucial role in fostering team innovation at the grassroot level. Second, this study adds significant empirical knowledge by examining strategic leaders’ perceptions of their role in promoting team innovation and boosting their innovative capabilities. Third, this study employs the LMX theory to investigate the strategic leader’s viewpoint on team innovation. Fourth, by examining the multilevel impacts of strategic leaders’ characteristics on team/employee innovation, this study fulfills the call for research to go beyond direct managers’ or supervisors’ leadership aspects (Botha and Steyn, 2023; Sirén et al., 2020). Finally, this study shed fresh light on the intricate relationships between strategic leaders and teams of Indian organizations from the viewpoint of strategic leaders.

This paper is organized as follows. Based on strategic leadership, team innovation and the Indian LMX perspective, a logical framework was created. Next, the research methodology (design, sampling, data collecting and analysis) is provided. Further, the following section offers a thematic analysis of extended interview topics. Then, a holistic model that integrates the themes is proposed. Finally, how this study might be used as a springboard for advancing much-needed strategic leadership and team innovation is discussed.

### 2. Theoretical framework

#### 2.1 Strategic leadership and team innovation

Strategic leadership involves an organization’s top-level executives with ultimate authority over all big and small decisions in the organization, impacting organizational outcomes like performance and strategic choices (Cannella et al., 2009; Rowe, 2001; Vera and Crossan, 2004) and innovation (Schubert and Tavassoli, 2020). Prior studies on strategic leadership have focused on firm-level constructs like organizational innovation (Cortes and Herrmann, 2021), as strategic leaders are often considered the primarily responsible actors for detecting and pursuing innovation opportunities. Studies at the team level have been focused on the TMT, e.g. the role of TMT characteristics like TMT heterogeneity, composition, size (West and Anderson, 1996) and CEO styles, like transactional and transformational leadership styles (Nijstad et al., 2014), in TMT members and team innovations. However, studies on innovation span across different disciplines and levels of analysis (organizational, teams and employees) (Anderson et al., 2014; Cortes and Herrmann, 2021). Studies have also confirmed that strategic leaders significantly shape innovation at the employee and team levels (Cortes and Herrmann, 2021; Elenkov and Manev, 2005; Vera and Crossan, 2004). However, there is a lack of studies examining the impact of strategic leaders on the employee and the team at the functional level (Elenkov and Manev, 2005; Vera and Crossan, 2004; Simsek et al., 2018).

While studying team innovation, Anderson et al. (2004) found that factors like leadership, team structure, team climate and team member characteristics significantly influence team innovation. Moreover, leaders at the strategic level (top level), owing to their position, allow them to have the authority to directly select the innovation projects affecting the team innovation process (Schubert and Tavassoli, 2020). In addition, they can also influence team innovation by shaping the opportunities and constraints to participate in the innovation process, such as by influencing the allocation of resources, structure, processes and the
perception of norms and values (e.g. Barker and Mueller, 2002; Elenkov and Manev, 2005; Jansen et al., 2009; Vaccaro et al., 2012; Cummings and Knott, 2018; Muninger et al., 2019; Cortes and Herrmann, 2021). Studies have also demonstrated that strategic leaders may influence innovation possibilities and restrictions through their interactions with other organizational members like teams and team members via providing organizational climate and support, which provides access to alternative strategic options and a cross-organizational network by fostering trust, open information sharing, informal interaction and awareness of competencies across hierarchical levels (Cortes and Herrmann, 2021; Mihalache et al., 2012). Moreover, team innovation is a complex interaction of team members’ activities, interactions and problem-solving that goes beyond individual behaviors. Thus, our study focuses on team-based innovation’s synergistic and collaborative aspects that emerge when team members work together (Simsek et al., 2018; Cortes and Herrmann (2021).

In a recent conceptual study, Neely et al. (2020) highlighted the importance of interaction between strategic leaders and team members, which influences innovation within teams and organizations. However, the influence of the exchange quality between strategic leaders at the top level and team members at the functional level in the context of team innovation needs to be explored (Cortes and Herrmann, 2021). As recommended by (Alblooshi et al., 2020; Klarner et al., 2020; White and Borgholthaus, 2022) to investigate team innovation from the standpoint of the strategic leader (Cannella Jr. and Monroe, 1997; Sulistyo and Siyamtinah, 2016), this study draws from LMX theory to examine, the factors driving team innovation from a strategic leader perspective.

2.2 Leader–member exchange (LMX) and team innovation

The LMX theory was earlier referred to as a vertical dyad linkage theory (Dansereau et al., 1975) based on the role theory – developed due to leader and follower mutual exchange leading to the role development of followers. Further, Liden et al. (1997) conceptualized it as LMX theory based on the social exchange theory and explained the in-group vs. out-group phenomenon. This theory differs from other leadership theories, e.g., transformational and charismatic leadership, as it focuses on the unique relationship between leader and follower (Gottfredson et al., 2020; Yukl, 2008). Earlier studies have primarily focused on dyadic relationships between a leader and an employee. However, Bernerth et al. (2016) have emphasized that there could be other employees sharing the relationship with the leader, for example, individual team members in a team. Thus, there has been increased attention to team-level studies (Hogg et al., 2004), e.g., in this case, strategic leaders (at the top level) and team members (at the functional level) (Gerstner and Day, 1997). LMX is about the reciprocal relationship between the leader and followers (Bernerth et al., 2016; Graen and Uhl-Bien, 1995; Liden et al., 1997; Settoon et al., 1996; Sparrowe and Liden, 1997; Uhl-Bien, 2006). Here, the relationship between the strategic leader and team members develops over a period of time.

The quality of the relationship between the leader and the team members impacts not only the team’s outcomes, such as performance and innovation but also the organization as a whole (Martin et al., 2018). E.g., if the strategic leader perceives a high-quality relationship with the team member, then they use power strategies, downward tactics and agreeableness to control the factor that affects them, developing high-quality relationships with them (Jiang et al., 2022b; Martin et al., 2010). In high-quality relationships, leaders provide team members with more confidence, resources, support and autonomy. They are characterized by mutual trust and respect, while in low-quality relationships, team members are devoid of these privileges having exchanges limited to employment contracts (Dansereau et al., 1975; Graen and Uhl-Bien, 1995). This differentiation leads to a concept of LMX differentiation (Chen et al., 2007; Sparrowe and Liden, 1997). Since followers in high-quality relationships may be more
willing to trust their supervisor and take a risk than followers in low-quality relationships, LMX should be positively correlated with creativity and innovation (Banks et al., 2014). Additionally, compared to other leadership styles that do not account for the calibration of leadership behaviors to followers, we expect that LMX will be more consistently associated with innovation (Rosing et al., 2011).

Additionally, several theories, such as the upper echelon theory (Hambrick and Mason, 1984; March and Simon, 1958), the role theory (Georgakakis et al., 2019) and the agency theory of principal-agent relationships, relate to strategic leadership with a focus on innovation. Tordera and Gonzalez-Roma (2013) recommended using the LMX theory to examine the relationships between strategic leadership and team innovation. Studies have stated that less research on strategic leaders at the top level and team members is probably due to infrequent interaction between them, the presence of middle management, or the unavailability of the data; these meetings are short and infrequent. They allow strategic leaders to shape employees’ perceptions through symbolic behaviors and role modeling (Simsek et al., 2018). The authors also emphasized the paucity of research addressing the reciprocal relationship between top-level strategic leadership characteristics, team member interaction and innovation outcomes (Simsek et al., 2018) from a leader’s perspective. Furthermore, studies have also demonstrated that the rising disruption and change in external environments significantly increase strategic leader interactions and employee communication (Nath and Mahajan, 2011; Niehoff et al., 1990) in the Indian context, where top leaders are considered as ideals, where employees look up to bond relationships.

Gilson et al. (2015) and Neeley (2015) studied the role of teams and their interactions with strategic leaders. Further, Anshah and Louw (2019) found that the interaction between strategic leaders and team members may differ because of the high power distance culture of the locale (Khatri, 2009). Finally, the increasing awareness and acknowledgment of the significance of innovation in the business process are gaining importance in countries like India due to the recent initiatives taken by the government (Reddy, 2011). Table 1 briefly presents the research articles of significance to this study and the insights gained.

3. Methodology
3.1 Research approach
3.1.1 Context: Indian organizations. The increasing emphasis on innovation-led development in Indian organizations in the form of various programs like “Atmanirbhar Bharat,” Startup India and stand-up India, Digital India et al. innovation mission will likely play an essential role in the Indian economy (Krishnan and Prashantham, 2019). In light of this, the global innovation index also presents India leapfrogging to 40th rank in 2022 from 80th in 2015. The quest for innovation in India will also help create jobs and capitalize on the demographic dividend. The change shows Indian firms’ growing innovative capacity.

4. Research design
The perceived factors influencing team innovation from strategic leaders’ perspective is a relatively unexplored area in management (Simsek et al., 2018). Qualitative research is critical for studying such complex phenomena involving leadership and innovation (Conger, 1998; Frisch and Huppenbauer, 2014). Therefore, a qualitative approach that would facilitate exploring the key factors influencing team innovation from a strategic leader’s viewpoint was chosen for the study (Braun et al., 2019). A methodological approach that facilitates this qualitative inquiry was deemed appropriate, and it was considered that performing a qualitative study to investigate and comprehend this phenomenon was reasonable and could aid future quantitative research (Braun et al., 2019).
A qualitative one-on-one long interview technique was used because it is more efficient and less intrusive than ethnographic interviews and takes into account the respondent’s shared understandings and cultural context, which is crucial since the study is focused on India’s strategic leaders (McCracken, 1988). In-depth interviews only rely on respondents’ individual affective states.

<table>
<thead>
<tr>
<th>Author(s), year</th>
<th>Type of study and sample</th>
<th>Key insights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nijstad et al. (2014)</td>
<td>36 TMTs and 196 team members</td>
<td>Communication is a major antecedent of team innovation. Minority dissent promotes divergent thinking and prevents group think leading to team innovation</td>
</tr>
<tr>
<td>Knippenberg (2017)</td>
<td>Review study</td>
<td>Two main perspectives in team innovation research were identified: knowledge integration and team climate. The knowledge integration perspective emphasizes creating an advice network via team communication. In contrast, the team climate perspective discusses support for innovation, shared objectives, and participative safety essential for team innovation</td>
</tr>
<tr>
<td>Hughes (2018)</td>
<td>Review (empirical studies)</td>
<td>In leader-follower relationships characterized by high levels of LMX quality, leaders stimulate creative and innovative performance by providing followers with high autonomy and discretion, allocating needed resources, and building followers’ confidence. Still, there is a need for proper measurement, research design, leader variables, and moderators to capture different elements of innovations</td>
</tr>
<tr>
<td>Hashmi et al. (2017)</td>
<td>Conceptual Study</td>
<td>Predictors of innovation–transformational leadership, team size, and teamwork quality</td>
</tr>
<tr>
<td>West and Anderson (1996)</td>
<td>Longitudinal Study of 27 Hospitals</td>
<td>Group size, resources, team tenure, group processes, and proportion of innovative team members influence team innovation</td>
</tr>
<tr>
<td>McDonough (2000)</td>
<td>Survey of 112 responses</td>
<td>Increased use of cross-functional teams leads to success. The study highlights the significance of empowering decision-making power for team success</td>
</tr>
<tr>
<td>Gajendran and Joshi (2012)</td>
<td>Survey of 40 globally distributed teams</td>
<td>Leader–member exchange interacted with the frequency of leader–member communication, resulting in more participation in decision-making in globally distributed teams, which predicted team innovation. The study also suggested that the relative importance of two paths through which LMX fosters member influence on team decisions: facilitating a psychological connection to the team versus affording psychological safety (Edmondson, 1999) that fosters sharing of specialized expertise can be examined</td>
</tr>
<tr>
<td>Hülsheger et al. (2009)</td>
<td>Meta-analysis</td>
<td>Meta-analysis identified internal and external communication as process predictors of team innovation</td>
</tr>
<tr>
<td>Hambrick and Mason (1984)</td>
<td>Conceptual study</td>
<td>The major organizational outcomes reflect top management experience, mindset, orientation and background</td>
</tr>
<tr>
<td>Georgakakis et al. (2019)</td>
<td>Conceptual study</td>
<td>Interaction between CEO-TMT is studied from the role theory perspective to systematically classify the different role assumptions used in conceptualizing the CEO-TMT interface</td>
</tr>
</tbody>
</table>

Table 1. Overview of selected studies discussing leadership and team innovation

Source(s): Authors’ own work
Based on the literature review, an interview guide was prepared (McNamara, 1999; Myers and Newman, 2007). The study’s exploratory purpose was achieved through the interview guideline’s main question and several open-ended sub-questions (Hsieh and Shannon, 2005). Questions elicited strategic leaders’ insights on a variety of factors that encourage or inhibit team innovation, such as their leadership approach and role in bridging internal perspectives, innovation process, interaction process, decision-making process and facilitators – technology. The interviews were conducted via online Zoom meetings and phone calls in English at their convenience and lasted an average of 70–120 min each.

5. Participants
We employed purposive sampling to select the most informative participants (Guest et al., 2006). C-suite leaders, directors, board members and business heads were our target sample for the interview as followed by Egan (2005) and Benson et al. (2016) who explored followers’ behavior and team members’ behavior from interviewing only leaders or taking leader’s perspectives. These leaders are members of their company’s top decision-making body and are actively involved in the innovation process. The study by Egan (2005) has adopted a qualitative, key informant approach, which was aligned with the methodology used in our article. This approach allowed us to conduct in-depth interviews with experienced and well-informed strategic leaders who are also involved and part of the teams facilitating significant team innovation. They maintain a portfolio of innovation projects and oversee innovation teams, playing a pivotal role in setting the vision, creating an innovative environment and guiding their teams toward achieving innovation goals. Our aim is to understand how these leaders foster a culture of innovation within their teams and shape the overall innovation outcomes by delving into strategic leaders’ insights, to uncover the factors they perceive as crucial in driving team innovation.

Thus, they may provide broad viewpoints and insights into Indian strategic leaders’ perceptions on team innovation. They were approached via LinkedIn and personal networks. The agreed-upon interview time, online meeting link, consent form, recording permission and likely questions were emailed. To preserve heterogeneity, respondents were selected from various industries, localities (Kolkata, Mumbai, Delhi, Bengaluru and Hyderabad) and educational backgrounds with varying experiences to give multiple viewpoints on the study issue. Table 2 shows respondent information. Our focus was to identify the recurring themes and patterns within the qualitative data, i.e. common patterns across industries, revealing core determinants of team innovation that have broader applicability using reflexive thematic analysis (RTA). We acknowledge the value of thematic synthesis to highlight both common themes and industry-specific variations (Braun et al., 2019). While our study currently focuses on commonalities, we believe this approach can enhance the richness of our findings and contribute to a more nuanced understanding of team innovation across diverse organizational contexts. To maintain uniformity and consistency, the lead author conducted all interviews and transcribed them without waiting for the others (Guest et al., 2006). 25 long interviews were recorded and transcribed. After attaining theoretical saturation (17th interview), data gathering was stopped when the marginal interview produced no new insights (Strauss and Corbin, 1998).

6. Data analysis
Thematic analysis refers to the process of identifying, analyzing and reporting recurring themes in the data which capture meaning that is relevant to the research question (Braun
Thematic analysis was employed to explore the themes and understand the underlying factors influencing team innovation in-depth (Braun and Clarke, 2021). There are three approaches to thematic analysis - code reliability, codebook and reflexive. RTA was used here to analyze the data since it is flexible and allows in-depth exploration with the researcher’s subjectivity to an extent. It does not lie under any theoretical assumption like phenomenology (context-driven) or grounded theory (data-driven) and thus can be applied across different epistemological and ontological positions rather than fixing to any of the positions (Braun et al., 2019; Braun and Clarke, 2006). The goal is to provide a coherent interpretation of the data from the lens of the researcher’s scholarly knowledge and identify the factors that may influence team innovation (Braun et al., 2019).

Thus, the data were analyzed using a hybrid (both inductive - similar to the Crabtree and Miller (1999) and deductive-similar to the Boyatzis (1998)) approach of RTA, which focuses on the participant responses using both a deductive (Driven by “a priori codes” – that comes from research aims, research questions and individual questions asked in the interviews) and an inductive approach (a posteriori codes - derived from an examination of data generated) to ensure a rigorous analysis of the data (Fereday and Muir-Cochrane, 2006).

The procedure begins with creating a list of a priori (deductive) codes from research questions, aims and interview questions (see Appendix), e.g. what are your opinions about the leader’s characteristics and orientation in influencing the team? Do the individual characteristics of a leader matter? Can you share an instance/example? – a priori codes (in bold) (e.g., Leadership characteristics – innovation mindset/orientation). The next step involved analyzing the interviews and searching for meaning and pattern in the

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Role</th>
<th>Domain</th>
<th>Employees</th>
<th>Experience</th>
<th>Education</th>
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</thead>
<tbody>
<tr>
<td>Respondent 1</td>
<td>CMD</td>
<td>Chemicals (fertilizers)</td>
<td>2,827</td>
<td>30</td>
<td>MBA</td>
</tr>
<tr>
<td>Respondent 2</td>
<td>CMD</td>
<td>Railways</td>
<td>1.54 M</td>
<td>15</td>
<td>MBA</td>
</tr>
<tr>
<td>Respondent 3</td>
<td>Director</td>
<td>Microfinance</td>
<td>72</td>
<td>5</td>
<td>MBA</td>
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<tr>
<td>Respondent 4</td>
<td>Executive</td>
<td>Consumer goods</td>
<td>7</td>
<td>4</td>
<td>MSW</td>
</tr>
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<td>Respondent 5</td>
<td>OSD to CMD</td>
<td>Railways</td>
<td>1.54 M</td>
<td>8</td>
<td>BE</td>
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<tr>
<td>Respondent 6</td>
<td>Executive</td>
<td>Railways (RVNL)</td>
<td>545</td>
<td>11</td>
<td>BE</td>
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<td>Respondent 7</td>
<td>Vice president</td>
<td>Bank (Product management)</td>
<td>78,300</td>
<td>13</td>
<td>MBA</td>
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<tr>
<td>Respondent 8</td>
<td>Vice president</td>
<td>Bank (Digital lending)</td>
<td>18,000</td>
<td>16</td>
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<td>Respondent 9</td>
<td>CTO</td>
<td>Bank (IT)</td>
<td>18,238</td>
<td>11</td>
<td>BS</td>
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<td>Respondent 10</td>
<td>Executive</td>
<td>Insure tech</td>
<td>114,000</td>
<td>17</td>
<td>BE</td>
</tr>
<tr>
<td>Respondent 11</td>
<td>GM (commercial)</td>
<td>Railways</td>
<td>1.54 M</td>
<td>20</td>
<td>BE</td>
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<td>Respondent 12</td>
<td>GM</td>
<td>Railways</td>
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<td>24</td>
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<td>DGM</td>
<td>Chemicals</td>
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<td>17</td>
<td>BE</td>
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<td>GM</td>
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<td>15</td>
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<td>MBA</td>
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<td>Microfinance</td>
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<td>Respondent 20</td>
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<td>78,300</td>
<td>27</td>
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<td>Insure tech</td>
<td>114,000</td>
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<td>Insure tech</td>
<td>114,000</td>
<td>15</td>
<td>BE</td>
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<td>Respondent 23</td>
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<td>Railways</td>
<td>1.54 M</td>
<td>23</td>
<td>MBA</td>
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<td>Respondent 24</td>
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<td>Railways</td>
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<td>27</td>
<td>BE</td>
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<td>Respondent 25</td>
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<td>Railways</td>
<td>1.54 M</td>
<td>30</td>
<td>MBA</td>
</tr>
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Table 2. Respondent's details  
Source(s): Authors' own work
interview data by applying priori code and creating a series of posteriori codes (in italic) (e.g., for a priori code “leadership characteristics,” posteriori codes (inItalic) like Share mistakes, model pattern, create space, share information, set example, led by example, reward vulnerability, leader support, bigger picture, clarity of thoughts, building rapport, top-down decision-making, information exchange are identified). Once the coding for the second transcript was completed, we returned to the first transcript to ensure nothing had been missed. The process is iterative and reflective and is followed for all the transcripts. i.e., After coding for the third transcript is completed, we again go back to the first and second transcripts to look for any codes extracted now that have not been missed in previous coding. Both (a priori and posteriori) types of codes are combined to form a family of codes (e.g., leading by example, how to lead, leader–member interaction) and, ultimately, repeating or frequent patterns in the family of codes were identified (see Table 3 for common codes from respondents), which were then coded as themes (Braun and Clarke, 2006; Meredith, 1998) (e.g., leading by example, led by example, set the example, model the pattern was repeatedly occurring from multiple respondents as shown in Table 3. These were all then coded as a theme - “modeling behavior”). Finally, the distinct codes under each theme were examined to address the research question of “What are the facilitating/inhibiting factors strategic leaders perceive to be important for team innovation?” (Braun and Clarke, 2021) approach. For instance, under the theme “Modeling behavior” of a leader, facilitating factors like an open mindset, orientation towards experimentation and active listening were identified, while hindering factors included biases, risk aversion and unsupportive behavior towards innovation (see Figure 1 and Table 4).

The detailed process has been illustrated in Table 5 using sample statements of the theme “Modeling the behavior.” A similar process is followed for the other themes. Data were collected from multiple sources, including multiple respondents within a single organization, to ensure reliability. Also, two researchers were involved in the process. The same interview guide was used for all the interviews to maintain the questions’ consistency (Noble and Smith, 2015). Furthermore, all the interview data were organized in separate folders for each respondent and labeled with their name. This organization of the interview data and the guided nature of the interviews ensured the reliability of the data collection process. The inter-coder agreement was calculated to assess the reliability of the codes generated. It was 0.88, which was well beyond the acceptable range. Additionally, the transcripts were sent to the respondents for review to ensure that the data was not misinterpreted, a practice that enhances credibility (Creswell and Poth, 2016).

7. Results
Various themes were identified through the analysis have been outlined in Table 4. The recurring themes among all the respondents were identified and further analyzed for the factors that specifically contribute to them influencing team innovation (Table 4). The five common themes were “modeling leadership behavior,” “autonomy and psychological safety for teams,” “organizational structure and technology,” “innovation decision-making” and “innovation during times of uncertainty”. These themes are discussed further in this section.

7.1 Theme 1: modeling leadership behavior
Throughout the interview process, one thing that kept coming up was how crucial it was for leaders to communicate with team members often and set an example or model leadership behavior (Barczak and Wilemon, 1989; McDonough, 2000). Several leaders indicated that modeling their behavior impacted teams, organizations and leaders (Qi et al., 2022). According to the LMX theory, a unique reciprocal relationship develops between leaders and
Table 3. Summary of the common codes (family of codes) from respondents

<table>
<thead>
<tr>
<th>R1</th>
<th>R11</th>
<th>R3</th>
<th>R24</th>
<th>R15</th>
<th>R6</th>
<th>R7</th>
<th>R8</th>
<th>R10</th>
<th>R19</th>
<th>R25</th>
<th>R2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization structure</td>
<td>Organizational culture</td>
<td>Organizational structure and goals</td>
<td>Psychological safety</td>
<td>Decision-making</td>
<td>Leader-member and innovation process</td>
<td>Leadership enabling innovation</td>
<td>Psychological safety</td>
<td>Psychological safety</td>
<td>Psychological safety</td>
<td>Psychological safety</td>
<td>Psychological safety</td>
</tr>
<tr>
<td>Model behavior of the leader</td>
<td>Model behavior of the leader</td>
<td>Psychological safety</td>
<td>Model behavior of the leader</td>
<td>Model behavior of the leader</td>
<td>Strategic leader’s innovation awareness and monitoring</td>
<td>Innovation and decision-making</td>
<td>Leader and motivation</td>
<td>Lead by example</td>
<td>Autonomy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technological innovations</td>
<td>Technology advancement</td>
<td>Technology acceptance and innovation</td>
<td>Technological benefits</td>
<td>Importance of innovation</td>
<td>Innovation and technology</td>
<td>Innovation benefits and firm size</td>
<td>Innovation adoption in uncertainty</td>
<td>Innovation and organization type</td>
<td>Team and innovation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact of COVID-19</td>
<td>Impact of COVID-19</td>
<td>Innovation in an uncertain environment</td>
<td>Need for innovation in an uncertain environment</td>
<td>Team role in innovation</td>
<td>Team innovation</td>
<td>Team and innovation</td>
<td>Team characteristics</td>
<td>Team decision-making</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psychological safety</td>
<td>Psychological safety</td>
<td>Team capabilities</td>
<td>Team member abilities</td>
<td>Psychological safety</td>
<td>Psychological safety</td>
<td>Impact of change on working</td>
<td>Impact of uncertainty on working</td>
<td>Impact due to uncertainty environment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>Organizational performance</td>
<td>Organizational performance in an uncertain environment</td>
<td>Organizational performance</td>
<td>Organizational performance</td>
<td>Role of leaders in changing environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source(s): Authors’ own work
team members due to the continuous exchange through communication, meetings, discussions and brainstorming sessions (Graen and Uhl-Bien, 1995; Liden et al., 1997). The leader’s behavior and expectations toward team members are formed based on the quality of the relationship that they share with each of their team members and, similarly, the team tends to follow the leader’s behavior and actions, which ultimately influences the team’s outcomes, among which is innovation (Dansereau et al., 1975; Graen and Cashman, 1975; Yukl, 2008). Therefore, leaders must model leadership behavior and communicate to facilitate innovative behavior within the teams, ultimately impacting innovation outcomes. For example, leaders should be experimentation oriented, take risks and communicate freely. Team members follow the leader and modeling innovative behavior in leaders may facilitate imbibing innovative behavior within teams, influencing team innovation. Several leaders have mentioned the importance of “setting an example” and “two-way communication” between leaders and team members.

Two-way communication is important. How you direct people, coordinate with them how carry them along, and how you convey the rules of the organization or goals of the leader to them. Listening to subordinates’ feedback becomes important. If they see that their leaders are competent and transparent and he is willing to communicate, then that prompted them to give out their best innovative performance. Also, leadership by example is obviously a very positive impact. (Respondent 1)

The leaders should have the quality of setting an example by themselves. (Respondent 2)

Leaders set the example, and the team follows. (Respondent 3)
## Table 4.
Factors influencing team innovation

<table>
<thead>
<tr>
<th>Team innovation high</th>
<th>Modeling the behavior of a leader</th>
<th>Psychological safety and autonomy in team members</th>
<th>Organization structure and technology</th>
<th>Innovation during times of uncertainty</th>
<th>Innovation and decision-making process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Mindset</td>
<td>Adaptability</td>
<td>Adoption of technologies</td>
<td>Leader’s support</td>
<td>Search information</td>
<td>primary and secondary research</td>
</tr>
<tr>
<td>Experimentation-</td>
<td>Creative thinking/ideas</td>
<td>Acceptance of technologies</td>
<td>Innovation culture</td>
<td>Awareness of the organization’s history</td>
<td></td>
</tr>
<tr>
<td>oriented/creative</td>
<td>Voice idea/dissent</td>
<td>training employees</td>
<td>Quick problem-solving</td>
<td>Awareness about the market</td>
<td></td>
</tr>
<tr>
<td>Listener</td>
<td>Openly share ideas</td>
<td>Trendspotting/target focus areas</td>
<td>approach</td>
<td>happenings</td>
<td></td>
</tr>
<tr>
<td>communication</td>
<td>Participation in discussions</td>
<td>Learning mindset</td>
<td>Team building – a fresh perspective</td>
<td>Leader–member exchange</td>
<td></td>
</tr>
<tr>
<td>visionary</td>
<td></td>
<td></td>
<td>Delegating - team members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team innovation is</td>
<td>Biases</td>
<td>Resistance</td>
<td>R rigidity</td>
<td>Highly controlled organizations</td>
<td></td>
</tr>
<tr>
<td>low</td>
<td>Risk-averse</td>
<td>Lack of leader support</td>
<td>Risk-averse behaviour</td>
<td>Lack of information</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fear/resistance to change</td>
<td>Lack of understanding of vision</td>
<td>Lack of Adaptability</td>
<td>Groupthink</td>
<td></td>
</tr>
<tr>
<td></td>
<td>unsupportive</td>
<td>alignment issue</td>
<td>Lack of awareness to change</td>
<td>Lack of resources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Give credit/recognition</td>
<td>Idea rejection fear</td>
<td>Alignment with business strategy</td>
<td>Top-down decision-making</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less communication</td>
<td>Lack of trust in team members</td>
<td>Lack of structure supporting</td>
<td>Lack of discussion and</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>technological innovation</td>
<td>deliberation, brainstorming</td>
<td></td>
</tr>
</tbody>
</table>

**Source(s):** Authors’ own work
**Statements**

The leaders should themselves set an example. Put them into practice. One of the most motivating things they can do at work is to show people that their ideas can actually shape their business or workplace.

I think you need to lead by example because when you are taking all such divergent elements together, then you have to use different techniques. Leaders set the example, and the team follows. It takes time, but that's how it goes. And definitely, you can see their performance improving. This all depends on the leaders. And as you rightly said, dealing with innovative solutions to problems opens the black box. You need to model a pattern of rewarded vulnerability, which means you model and reinforce that pattern yourself. You share your own mistakes.

The ground realities, and facts, these have to be kept into consideration and, uh, you cannot just, uh, sweep it away that someone has a good, uh, suggestion or a thorough technical background, then you have to also respect that, uh, see that, uh, these rules are accommodated. And then you go forward. The leader has two primary keys to enforce the organization's innovation. The leader is never a neutral actor. It is not possible. Leader, you lead the way or get in the way. Because teams in organizations do not outperform the leaders, they reflect them. So 1. Modeling behavior – is going to be prevailing norms of teams, 2. Coaching skills – patterns of your interaction. As a leader, you set the tone and set the vibe for innovation.

Create a space for people to feel confident and safe, not able to not only challenge their ideas or have their ideas challenged. Then you need to remove the fear and demonstrate that behavior is accepted and rewarded, which will help you create an innovation culture and organization free to share information. Leading to success, innovation, and competitive advantage.

Injecting more fun and humor into the meetings, hiring practices, and workplace culture will help to maintain a good social environment. Humor is one of the biggest catalysts for creative thinking.

You should have that kind of rapport with them. The decisions are taken by the top management and are discussed within the team. They brainstorm as to how things are to be done. They come to a conclusion. The extent to which people can interact and participate and contribute to the process without feeling marginalized or punished. Or without fear of being criticized. Healthy culture.

**Source(s):** Authors' own work

---

**Table 5.**

<table>
<thead>
<tr>
<th>Statements</th>
<th>Codes (priori and posteriori)</th>
<th>Family</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>The leaders should themselves set an example. Put them into practice. One of the most motivating things they can do at work is to show people that their ideas can actually shape their business or workplace.</td>
<td>Leader behavior; Leaders set the example and act as catalysts; Leader modeling behavior; team follows innovative solutions creative minds; experience hear suggestion respect; Modeling behaviour; model a pattern; share mistakes; create space</td>
<td>Leading by example</td>
<td>Modeling the behavior of the leader</td>
</tr>
<tr>
<td>I think you need to lead by example because when you are taking all such divergent elements together, then you have to use different techniques. Leaders set the example, and the team follows. It takes time, but that's how it goes. And definitely, you can see their performance improving. This all depends on the leaders. And as you rightly said, dealing with innovative solutions to problems opens the black box. You need to model a pattern of rewarded vulnerability, which means you model and reinforce that pattern yourself. You share your own mistakes.</td>
<td>Respect, suggestion, rules, experience, background, coaching skills, interaction pattern, setting the tone, creating space, challenging ideas, rewards, innovation culture, and competitive advantage</td>
<td>How to lead by example</td>
<td></td>
</tr>
<tr>
<td>The ground realities, and facts, these have to be kept into consideration and, uh, you cannot just, uh, sweep it away that someone has a good, uh, suggestion or a thorough technical background, then you have to also respect that, uh, see that, uh, these rules are accommodated. And then you go forward. The leader has two primary keys to enforce the organization's innovation. The leader is never a neutral actor. It is not possible. Leader, you lead the way or get in the way. Because teams in organizations do not outperform the leaders, they reflect them. So 1. Modeling behavior – is going to be prevailing norms of teams, 2. Coaching skills – patterns of your interaction. As a leader, you set the tone and set the vibe for innovation.</td>
<td>contests; brainstorming; fun humor meetings; communicate; culture environment; social; Rapport; Leader member discussion; interaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Create a space for people to feel confident and safe, not able to not only challenge their ideas or have their ideas challenged. Then u need to remove the fear and demonstrate that behavior is accepted and rewarded, which will help you create an innovation culture and organization free to share information. Leading to success, innovation, and competitive advantage.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Injecting more fun and humor into the meetings, hiring practices, and workplace culture will help to maintain a good social environment. Humor is one of the biggest catalysts for creative thinking.</td>
<td></td>
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</tr>
<tr>
<td>You should have that kind of rapport with them. The decisions are taken by the top management and are discussed within the team. They brainstorm as to how things are to be done. They come to a conclusion. The extent to which people can interact and participate and contribute to the process without feeling marginalized or punished. Or without fear of being criticized. Healthy culture.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
As a leader, you set the tone, set the vibe for the innovation. Because they are going to follow you, you have to first act in the way you wanted them to be. So yes, the leaders need to provide them training, resources and model their behaviour as a first step towards thinking about innovative ideas. (Respondent 12)

Frequent communication and feedback sessions lead to high-quality exchanges between leaders and team members. Since teams carry out innovation, high-quality LMX aids leaders in modeling their behavior by prioritizing their activities and sharing information and resources (Anyamele, 2005). Lack of communication leads to low-quality exchanges and reduced access to resources and information, resulting in low team innovation (Estel et al., 2019).

### 7.2 Theme 2: autonomy and psychological safety for teams

Psychological safety enables team members to freely share their ideas without fear or hesitation, while autonomy provides authority to experiment with different ideas that may lead to innovation (Edmondson and Lei, 2014). However, due to scarce resources, the relationships between leaders and their team members vary (Martin et al., 2018). Some team members may have a high-quality relationship with their leader (in-group). In contrast, others may have a low-quality relationship (out-group) (Graen and Uhl-Bien, 1995), and these determine the quality of their exchanges. In high-quality exchanges, leaders support new ideas, autonomy, trust, psychological safety and resources to team members. While team members reciprocate by coming up with new creative ideas (Xie, 2020) and, in turn, provide leaders with team performance, increased job satisfaction, organizational commitment and low turnover rates (Ilies et al., 2007; Jordan and Troth, 2011; Schyns, 2004).

Furthermore, it has also been established that innovation in an organization happens when there is a free flow of ideas between people, and it can come from anywhere. Since innovation happens within teams, it is necessary to ensure a free flow of ideas across teams within a department or the organization (Amabile, 1988). High-quality exchanges brought about by frequent communication and feedback sessions between leaders and team members enable the free flow of information between them. Many respondents mentioned the same:

As a leader, I don’t believe in hierarchy. Continuous interaction and communication are important. Employees here are open to talking about anything. They are free to put up their ideas. They have a clarity of goals. They have the freedom to implement their ideas if they have confidence. (Respondent 9)

No innovation happens without a group of individuals coming together and the leader to support it. Even if you have dedicated departments, ideas do come from different departments. Innovation is a mindset, and it should be open to everyone. (Respondent 5)

To carry out the aforementioned activities, the team must have the autonomy to take the necessary actions or make decisions discussed and deliberated with leaders before implementation. Team members should be able to easily present their ideas or opinions openly and freely. Their initiatives or ideas should be recognized even if they fail or succeed, thus creating an environment in which it is safe for them to voice their opinions without fearing the consequences or feeling challenged. In this regard, one of the participants shared his views:

A bank has dedicated teams for these, these people are able to communicate and speak openly. I think that problem still needs to be solved where people from anywhere within the bank can have you know or can make themselves heard. That is something that needs to be accomplished across banks. (Respondent 7)

High-quality exchanges between strategic leaders and team members are driven by transparency and communication, giving teams autonomy, psychological safety and leadership support enabling teams to fearlessly explore as many ideas as possible.
7.3 Theme 3: organizational structure and technology
Even if the leader models behavior facilitating innovation and the team has the autonomy and support of the leader, the innovation cannot succeed if there is no proper structure to facilitate it (Cetin Gurkan and Tukelturk, 2017). The lack of proper structure, channels and technology for communication and interaction or exchange influences innovation capability at the organization, leader and team levels (Thompson, 1965; Moenaert and Caeldries, 1996; Mamonov and Peterson, 2021). Hierarchical and bureaucratic structures hinder the innovation process by creating unnecessary delays and regulations at the organizational level (Arad et al., 1997; Moenaert et al., 2000). Moreover, a proper channel to support innovation in such rigid structures is often lacking. There is a need for a technological platform or interface where ideas can be shared and viewed across different hierarchical levels or people, for example, between team members and strategic leaders. High-quality LMX can help overcome hierarchy by adopting a matrix structure and transforming the traditional top-down approach into a bottom-up one (Gifford et al., 2021; Graen and Uhl-Bien, 1995). Promoting open communication, clearance of approvals without delays and less regulation can facilitate innovation (Daft, 1978). With the use of technology, all members of an organization can share the progress of the innovation and team members can collaborate and connect to provide input on the progress. Technology enables such platforms to devise a system for innovation at an organizational level. Technology further helps keep up to date with current market trends, and new emerging ideas/technologies like design thinking aid leaders in making better decisions. The same sentiments were reiterated by the respondents:

We have a very clear hierarchical structure, and the decisions follow a top-down approach. So, the teams follow the guidelines and directives given to them. That’s how public organizations function. (Respondent 3)

These are essential times when innovations are really important. Dropping traditional structure and coming to a new process with a kind of a fresh mind and a clean slate, a dive and follow new experiments investing more time. (Respondent 5)

Yes, the use of technology is beneficial to the process of making decisions quickly. It helps managers to simplify the time spent searching for, combining, and querying data in order to receive the knowledge necessary to make sound choices. Time monitoring and activity tracking technologies can provide an excellent means of data collection. (Respondent 2)

7.4 Theme 4: innovation and the decision-making process
Organizations with rigid, bureaucratic and hierarchical structures follow a top-down approach, with little or no involvement of teams or subordinates in the decision-making process. Innovation is a major investment in any organization, and its risk is equally big (Balachandra et al., 1996; Cooper et al., 1999). However, innovation as an organization activity is usually implemented by well-qualified teams to answer any innovation-related questions. Therefore, it has become more important for teams to be involved in decision-making (Tsai, 2011). The same was mentioned by one of the respondents:

We allow people to take their own decisions. We allow them to come up with good ideas. (Respondent 10)

It was also said that:

Leaders' decision-making capabilities have a direct bearing on the team's decision-making capabilities as the team reflects by and large the leader's abilities, ambitions, and thought processes. And if you see over a period of time, you can see the development in the individual performance of the team member as well as in the team itself . . . We have a very clear hierarchical structure, and the decisions follow a top-down approach . . . We encourage their team to think out of the box and adopt the practice of rewarding the best innovative ideas. (Respondent 3)
The absence of teams in decision-making has a major influence on an organizational level (innovation outcomes), leader level (trust deficit among team members, commitment to goal issue, high turnover) and team level (team confidence, team recognition) (Gutierrez et al., 2008; Landry, 2020). Thus, high-quality LMX helps to provide an avenue for team members to voice their opinions, come up with many divergent views, analyze them and arrive at decisions based on the quality of the interaction between them and their leaders (Zhou et al., 2020). Therefore, it is necessary to follow both top-down and bottom-up approaches before making decisions concerning innovation in an organization. However, the bottom-up approach is only possible when strategic leaders create a climate within an organization that supports the interaction of team members with leaders, practices team decision-making and values feedback from the team (Tordera and Gonzalez-Roma, 2013). LMX provides the channel and medium to support the interaction. The feedback mechanism and expertise of the team and the liberty to explore information inside or outside the group will lead to better planning strategies for the future (Xie et al., 2020).

7.5 Theme 5: innovation during times of uncertainty
The increased uncertainty caused by rapidly shifting market trends brought about by technical innovation, globalization and crises such as the pandemic has created a need for a new type of leadership that can see such situations as opportunities and guide organizations through them (Sneader and Singhal, 2020). Organizational leaders who are agile, adaptable, decisive and innovative can better capitalize on such opportunities by providing the team with authority to lead the situation (Cordery et al., 2010). Many leaders have described how, under unpredictable situations, they empowered their teams to make decisions, which ultimately drove them to perform at their best and strengthen their leadership qualities (Zhang and Zhou, 2014). Regular interactions and communications aid the leader in identifying team members’ skills and experiences (Gajendran and Joshi, 2012). They can modify their business strategy and reorder their objectives and strategies in response to shifting conditions (Mrugalska and Ahmed, 2021). During the COVID-19 pandemic, for instance, firms adopted remote working, allowing quick, decisive, agile and imaginative organizations to rapidly restructure their business processes and workplaces (Dirani et al., 2020). Furthermore, they promoted staff health, safety and psychological well-being. The respondents have confirmed the same:

In such situations, we have regular meetups and what I do is, I don’t want to tell them what to do, I tell them to tell me their next steps. A way to develop leadership quality in their team members. That’s what leaders do, right. So that they are responsible for themselves, and their work. (Respondent 16)

Almost everything that affects an organization’s ability to compete and respond well to changes in the outside world, and, ultimately, its success or failure, is part of its culture. Inside factors determine how the organization moves forward, both as an independent unit and in response to its outside environment. (Respondent 2)

During uncertain times, I’m not depending only on the information available within the department, employees, or teams. I am also available at large in the outside world, and the people within organizations can also coordinate with some people inside/outside to improve the performance. (Respondent 21)

A strategic leader’s continuous interaction to provide real-time information helps team members deal with uncertain situations (Vera and Crossan, 2005). For innovation under uncertainty, the leaders’ exchange with team members shifts from command and control to trust. A strategic leader’s moral support, allocation of resources and future thinking (not defined by history) become extremely important for team members. Similarly, the team members or employees adapt to the new circumstances (Dansereau et al., 1975; Graen and
However, a lack of interaction or the low quality of exchanges leads to risk-averse behavior in team members, less coordination and less sharing of knowledge, hampering team innovation outcomes (Poskela and Martinsuo, 2009).

8. Discussion and conclusion
The study examined the strategic leader’s viewpoint on the factors affecting team innovation. The results showed that the team members imitated the top leaders’ behavior, for e.g. the conduct of the top leaders. Therefore, leaders should set an example by modeling the behavior they expect from them (Grass et al., 2020; Dansereau et al., 1975; Graen and Cashman, 1975; Yukl, 2008), for example, by sharing mistakes and failures and supporting ideas. Indian culture values personalized relationships. The leaders should build a relationship by having frequent interactions with them in the hope that the team will follow them and interact freely with the leaders, which will increase the possibility of influencing innovation in teams. This is consistent with the LMX idea, which holds that teams will feel free to share their ideas without fearing judgment and perform more innovatively when their leaders and teams have high-quality relationships. Thus, they feel obligated to reciprocate the leader’s behavior. As innovation-based initiatives are risk-bidden, top leaders frequently communicate with the team, influencing them and guiding their innovative performance. (Simsek et al., 2018)

Due to the authoritative position, designation of the strategic leaders, hierarchy structure and distant relationship between strategic leaders and team, in Indian organizations, there is high power distance culture where leaders are considered authoritative figures whose orders are obeyed (Sinha and Sinha, 1990). Leaders state that the team tends to hesitate to share new ideas or opinions or challenge their ideas or decisions even when strategic leaders are open to discussing them. Further, leaders also acknowledge that teams working on such projects often must work with different members of the organizations and departments, exchange ideas, inform or knowledge and take quick actions accordingly. However, not all strategic leader shares the same perception. Some believe that more autonomy sometimes leads to unidirectional waste of efforts or reduced productivity (Langfred, 2005; Li et al., 2022). Hence, the teams should have the psychological safety to voice their ideas and opinions without fear of being judged. They should also be able to access different departments or institutions outside the organizations for information and knowledge. This builds moral trust and confidence in team members for leaders, influencing their drive to innovate and, in turn, team innovation (Xie et al., 2020).

Similar to the findings of (Nair et al., 2015), this study also found the bureaucratic structure, lack of communication or support channels and the environment, among others, to be limiting factors (Arad et al., 1997). The following important facilitator of team innovation is an organization’s structure. Without proper organizational structure, realizing the innovation would be difficult. In the case of Indian organizations following a bureaucratic structure, it is necessary to overcome hierarchy and increase collaboration and knowledge sharing, facilitating innovation. With the communication and interaction between leaders and team members, the knowledge and information can be easily shared with quick real-time feedback from the leaders, enhancing and building a relationship between them and improving team innovation.

Innovation is a highly risky venture, involving a lot of human, capital and time investment. The leaders take responsibility for such ventures and prioritize them by deeply investing in them. The top leaders make the majority of decisions. Like most organizations across cultures, top-down decision-making is followed in Indian organizations (Biswas and Varma, 2007). However, Innovation necessitates quick decisions, problem-solving and resource accessibility which could be plausible if the team members are involved in the decision-making process (Rodgers et al., 2022). Thus, the team members’ detailed knowledge
will help highlight the problems beforehand to strategic leaders who can provide quick resources, support, or access to solutions due to their authoritical position enhancing the appropriateness of the decisions (Shah and Patki, 2020). The collectivistic orientation of the Indian leaders also supports the inclusion of team members in the decision-making. However, a country with high power distance favors authority, which can be seen in organizations deeply rooted in this culture. The study’s findings suggest that Indian organizations that have been running for many generations are deeply rooted in cultural domains of decision-making by the top leaders. The private organizations give due consideration to the team’s opinions by involving them in the decision-making process, which is found to tremendously enhance the innovation outcomes as well as the innovative performance of the team members (Elyousfi et al., 2021). The difference can also be explained in terms of organizational size (Thompson, 1965). Small organizations encourage team decision-making. While big organizations also consider top leaders and make the final decision.

Finally, the innovation mindset needs to be developed; the uncertain environment should be viewed as an opportunity to encourage innovative thinking and ideas and to develop an innovation mindset that fosters strategic change. Past studies also suggest that the interaction between top leaders and teams increases during uncertain situations. Thus, an ever-changing environment perceived as risky should be looked at from an altogether different perspective; as an opportunity that, when utilized, can lead to competitive advantages. High-quality LMX helps to deal with the uncertain environment by anticipating market trends through various technologies and the real-time exchange of information among team members and leaders to make appropriate decisions in a timely manner.

Since, the data analysis follows the RTA approach, which allows us to combine both the perspectives of the strategic leaders and the researcher’s analytical insights (Braun et al., 2019). Therefore, combining both these perspectives, Table 4 summarizes a few factors in each theme and their impacts on team innovation. For example, modeling a leader’s behavior is a theme. Its factors, such as being open-minded and creative and having a vision, will lead to high team innovation. However, being biased, risk-averse and resistant to change will lead to low team innovation.

9. Theoretical implications
This study contributes to the current body of innovation literature by demonstrating the factors influencing team innovation from a strategic leader’s perspective. These findings add to the literature on team innovation at the functional level (not TMT), primarily involving immediate supervisors, team leaders, or middle management leaders. Second, our study responds to the call for research to go beyond the characteristics of direct supervisors and managers (Botha and Steyn, 2023) to explore the relationship between strategic leaders at the top level and the team members at the functional level. Next, the LMX theory explains the influence of the perceived relationship between strategic leaders and team members on team innovation. The study presents an opportunity for management researchers working in the domain of strategic leadership impact on team innovation to explore the direct relationship between strategic leaders and team members in the context of innovation from different theoretical perspectives, e.g., the social network perspective.

Further, the conceptual model Figure 2 derived from this study helps in understanding the complete picture of what influences team innovation using four dimensions: Quality of LMX: high; Interface: between the strategic leader and team member (“modeling leadership behavior,” “autonomy and psychological safety in teams,” and “innovation decision-making”); Facilitators: “organizational structure and technology”; and Context: “innovation during times of uncertainty.” Finally, elucidating the impacts of the various factors influencing team innovation across industries will help organizations make policies that align with the future
10. Managerial implications

Considering the importance of team innovation, as revealed by the respondents, organizations would significantly benefit from taking the initiatives proposed by this study. The study findings will help strategic leaders plan their policies to encourage team innovation by fine-tuning the specific factors influencing team innovation within their organizations.

Strategic leaders can interact with innovation project teams daily, weekly, or monthly based on the project stage. The early interaction helps assess skills and build a perception of each other. Training programs tailored for leaders and teams can be organized and communicated effectively. Strategic leaders should be trained to understand the team members’ problems and assess their needs for support. Similarly, the team members can be trained in understanding the top leader’s expectations and objectives and how it aligns with their goals. The mismatch between the expectations of top leaders and team members can be detrimental to team innovation outcomes, which can be avoided if there is a clear understanding of the expectations of the strategic leader. Team members can also be trained to communicate problems effectively or ask for the required support.

Training should also be made available, explaining all the platforms and channels that the organizations currently have and will build in the future for seamless information sharing. Such channels can help navigate the hierarchy across the organizational levels. The study confirms the importance of LMX, and organizations can train strategic leaders to foster high-quality exchanges and relationships with team members to improve team innovation.

This study indicates that not all organization has an interface wherein ideas can be shared openly and anonymously. Further, in times of rising technological advances, with a plethora of options to communicate and share ideas with each other. Few organizations do not have a channel where the team members can directly contact the strategic leaders. Creating such an
interface can eradicate this barrier allowing free communication and sharing of ideas between them. Additionally, real-time resources can be accessed readily and decisions can be made quickly. Given that strategic leaders make decisions, it is necessary to understand their perspectives and expectations in order to adhere to explicit guidelines.

11. Limitations and future scope
One of the limitations of the study is that the interviews were conducted over the telephone instead of in person. However, many studies have highlighted the telephonic interview as the most viable model for collecting qualitative data (Drabble et al., 2016; Sturges and Hanrahan, 2004). Another limitation was that the sample was purposefully chosen to include leaders involved in the innovation process, as the scope and focus was to understand the leader’s viewpoint as to what drives team innovation. The findings of this study will assist team members in aligning themselves accordingly. Including team members would have introduced bias and diluted the study’s findings. This may, however, limit the generalizability of the findings. Hence, future researchers could also collect data from team members involved in the innovation process to corroborate findings from the leaders with those from the team members. Furthermore, the study was conducted in India, and thus, the results might differ in other developing countries. If the study could be replicated in other developing countries, more information would be collected, and the results could be compared. This would help with the generalization of the findings as well as the expansion of this study into different contexts. Finally, this study adopted a cross-sectional view; studying LMX over a period of time may provide a deeper grasp of knowledge of how the quality of LMX enhances innovation in teams. Future research could examine if the type of innovation is affected by the quality of exchanges between leaders and their team members.

References


Appendix
Sample questions asked in an interview

A. Leader’s characteristics

(1) How important is team innovation in today’s organizations? How important is the ability to make decisions to promote team innovation? How do strategic leaders facilitate innovation-decision (are there any specific recommended processes)?

(2) What are your opinions about a leader’s characteristics in influencing the team? Do the individual characteristics of a leader matter? Can you share an instance/example?

(3) What difficulties do leaders face in implementing innovation-based decisions in organizations and in teams?

B. Team abilities

(1) Do you think that the team members are influenced by the strategic leaders?

(2) Do you interact with team members in the organization? What is the frequency of interaction? How would you describe your relationship with the team members?

(3) What capabilities do the leaders need to develop in teams to be more innovative, and how can a leader help build employees’ capability?

(4) Are a leader’s interaction and decision-making capabilities influence the team’s decision-making capabilities?

(5) Does any member of the team come to you to share any ideas, feedback or opinion? How do they perceive their relationship with you?

(6) Do you think building those capabilities in employees will help them to inculcate creativity in their teams and moments to share, compare, and on each other’s work leading them towards creating innovative concepts? Or starting with the innovation concepts will be better?

C. Innovation and decision-making process

(1) Can you give an example of an innovation project elaborating on the entire process? What are the different stages?

(2) How important is it for you to understand the underlying mechanism through which the innovation process occurs?

(3) Do you think the teams’ involvement in the innovation-related process is important?

(4) Does your relationship with the team members influence the team process?

(5) How are innovation-related decisions made by strategic leaders along with their teams? Were the employees on board with the decisions?

D. Organization structure and technology

(1) What, according to you, helps in bridging the gap between you and the team? What facilitates communication between you and the team members? What role does technology play? Why? Any instances

(2) Does the use of technology help in quick decision-making?
E. Uncertainty and innovation

(1) What impact will be changing dynamics have on the industry value chain? Is it a different post COVID-19? What is the role of strategic leadership with respect to teams in such circumstances?

(2) What are the key industry trends beyond the known knowns (technological and global disruption) and known unknowns (pandemic)?

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