

Chapter 4

Humble Leadership: Effects on Innovation

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ABSTRACT

Following a stream of research that analyzes the effect of humble leaders on innovation, the central value of this study is to expand the current knowledge of this relationship by elucidating the impact of this type of leadership on radical innovation and innovation success (considering both financial and non-financial performance). The study was conducted in Spain. 263 different organizations participated in the research. The authors tested and confirmed the hypotheses using structural equations. Humble leadership promotes radical innovation and, in turn, innovation success.

INTRODUCTION

Many studies and streams of research have emphasized the usefulness of innovation for companies to survive in the current competitive context. The development of technologies, the appearance of new products and services, changes in consumer behaviors or the entry of new competitors, force companies to change. As a result, innovation is one of the most relevant strategies to increase their competitiveness. Consequently, it is essential to study the circumstances that encourage organizations to innovate, enhance their creativity and generate new ideas.

On the other hand, literature has pointed out that there are different types of innovation. Each of them has specific characteristics, affecting differently on the results of companies (OECD, 2018). In addition, the factors that promote their development are also different. Therefore, it is useful to discriminate between types of innovation when studying their antecedents. One of the most widely used classifications in academia differentiates between incremental and radical innovation. These innovations are character-

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ized by the degree of change they produce in companies and markets. Among these innovations, radical innovation stands out for its potential to improve firm performance (Al-Khatib & Al-Ghanem, 2021).

However, despite the capacity of innovation to improve firm performance, it is a tortuous and unpredictable process that involves many risks and possibilities of failure. In this sense, it is likely that many innovations will not achieve the expected success, especially in the case of radical innovation, due to its higher degree of novelty. In this sense, radical innovations may not be understood by the market. In other cases, consumers may be reluctant to change behaviors when adopting a new product or service (Slater et al. 2014). Therefore, when analyzing the conditions that favor innovation, it is necessary to study the factors that promote its development, but also its success.

One of the factors that has been positively related to innovation is leadership. Recently, different studies evaluated how different types of leadership promote innovation at the organizational, team or individual level. Leaders create the conditions within companies for employees to work with trust, respect, or autonomy, generating new ideas that can be translated into innovations. For example, a growing number of studies highlighted the positive effect of styles such as servant, ethical, authentic or transformational to promote creativity and innovation (e.g. Mallén et al., 2020). These studies, in turn, demonstrated the importance of new leadership styles and the need to lead companies in a more humane and respectful way.

This study focuses on the humility of leaders. News about financial scandals, unethical behavior of managers and toxic work environments, attributable to the uncontrolled ego, arrogance, and sense of self-importance of organizational executives (Boje et al., 2004), have driven a change in the way companies are managed. This new paradigm includes changes in leadership styles. In this context, the study of humble leadership is increasingly important (e.g., Ou et al., 2014). Authors such as Argandona (2015) highlighted the importance of humility of leaders to fight against these problems. Other authors have stressed out the relevance of humble leaders to generate more virtuous work contexts. Owens and Heckman (2012, p.788) affirmed that humility comes from the Latin word “*virtutem*” that connotes moral strength, valor, excellence and worth. In the organizational context, they considered that virtues such as humility “have been generally viewed as that which is good, human, and produces social bet”. Humble leadership may be defined as “a leadership style in which a leader evaluates him/herself and subordinates through a multifaceted and objective lens, appreciating subordinates’ positive worth, strengths, and contributions” (Zhu et al., 2019, p.2).

For all these reasons, this chapter presents a study that analyzes the effect of humble leadership on innovation success. Regarding the type of innovations studied, this research focuses on radical innovation. Although leaders’ humility favors innovation and creativity (e.g. Lei et al., 2021; Chen et al., 2021), there are no studies that analyzed their influence on radical innovation. Nor have any studies analyzed the effect of humble leadership on the results of the innovations developed by companies. This study attempts to shed light on this field by analyzing the effect of these leaders on the financial and non-financial results of the new products and services developed by companies.

Previous research examined the consequences of humble leadership, studying its effects at different levels of analysis (individual, team, and organizations). Most of these studies focused on the positive consequences of this type of leadership. Although previous studies have also analyzed behavioral outcomes or attitudinal outcomes, this study relates to a stream of research that investigates performance outcomes of humble leadership (Kelemen et al., 2022). The central objective of this chapter is to expand the knowledge about the consequences of this type of leadership, analyzing the capability of these leaders to promote radical innovations and studying the financial and non-financial performance of such innovations.

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