

〈Doctoral Dissertation〉

A Comparative Case Study on The Tourism between
Saudi and Japanese Small and Medium Enterprise: The
Perspective of Leader-Member Exchange Theory
(LMX) and Disruptive Innovation

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(20DC01)

January 13, 2023

Faculty of Business Administration
Graduate School of Business Administration
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Supervisor: Dr. Park Yonggwan

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<Abstract of Doctoral Dissertation>

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Name : ALMALOY Yasser

I Background/ Objectives and Goals

The relationship between The Kingdom of Saudi Arabia and Japan date back to 1955. Since that time, the two countries have developed strong relationship based on respect and cooperation. Economically Saudi Arabia and Japan have strong and old partnership. The Kingdom of Saudi Arabia supply Japan with oil and chemical products, and on the other hand Saudi Arabia import cars, excavator machines and electricity products. In April 2016, the kingdom has announced the implementation of “Vision 2030” which considered one of the biggest and most ambitious projects in the world. The vision is a roadmap for The Kingdom to achieve economic and social stability, and to be a much more effective player in the development of the global economy. From “Vision 2030” the “Saudi Japan Vison 2030” was born, which was announced in September 2019 when Crown Prince “Mohamed Bin Salman” visited Japan. One of the main goals of the “Saudi Japan Vision 2030” is to develop and assist Small and Medium Enterprises (SMEs) and the tourism sector.

This research is comparative research between tourism SMEs in Saudi Arabia and Japan, and it aims to support the vision by doing research in the tourism industry. This paper aims to address the changes that are happening to organizations around the world due to the Fourth Industrial Revolution. These changes have made the competition between organizations more difficult, and as we know that new changes always bring new challenges. When there is a new challenge or task, a new solution is required in order to overcome that challenge. That is why in this paper we are investigating the role that innovation plays in the Saudi and Japanese tourism Small and Medium Enterprises. Ignoring innovation means that organizations will decrease their chances of overcoming the new challenges and opportunities that is caused by Forth Industrial Revolution. In this research I will examine the effect of Leader and Member Exchange Theory (LMX), on Disruptive Innovation in the Saudi and Japanese tourism Small and Medium Enterprises. As we will see later that disruptive Innovation is consider one of the best types of innovation for Small and Medium Enterprises. In addition to that, in this research I will shed the light on the effect of the fourth Industrial Revolution technologies on both Leader and Member

Exchange Theory (LMX) and Disruptive Innovation in the Saudi and Japanese tourism Small and Medium Enterprises.

Finally, Small and Medium Enterprises play a pivotal role in the advancement of economy of advanced countries and is consider an effective tool when dealing with the problem of unemployment. In addition to that, tourism is a great economic resource, and it helps countries to introduce their culture, customs and traditions to other countries which can help in the international understanding and acceptance of other cultures. In this paper we took this into consideration, and we aim to encourage the sector of tourism in the Saudi and Japanese tourism Small and Medium Enterprises through research, and by analyzing the role leadership plays in organizations.

II Field of Research

This research is aims to investigate the relationship between leadership and disruptive innovation in Saudi and Japanese tourism SMEs. The research scope is going to be Makkah and Kansai Regions. The reason behind the selection of these two regions is the similarities they have. For example, both regions have many tourist attractions, and since this research is investigating the tourism SMEs, it makes perfect sense to select these two regions. For instance, in Makkah Region there are Jeddah City, Madinah City and Makkah City, which are very popular tourist destinations in Saudi Arabia. On the other hand, in Kansai Region we have Kyoto City, Osaka City and Nara City, which also considered a very popular places for tourists in Japan. In addition to that, Makkah Region and Kansai Region are both close to other popular tourist attractions. For example, Makkah Region is close to Neom City and Qeddaiyah project that are considered one of the biggest tourism projects in the world. On the other hand, Kansai Region is also close to Wakayama Prefecture, Hyogo Prefecture that are also consider a popular tourist attraction in Western Japan. All these similarities make the two regions a perfect choice for this research scope.

This research is based on the theoretical research centered on “Leaders-Member Exchange Theory” and “Disruptive Innovation” and how can the Saudi and Japanese Tourism Small and Medium Enterprises realize disruptive innovation in their organizations and archive a long-term competitive advantage. This paper is attempting to analyze the possibility for small and medium enterprises to use LMX theory to enhance disruptive innovation abilities. Therefore, the theoretical scope and the practical scope of this research are as follows.

1. Leader-Member Exchange Theory

Leader-member exchange (LMX) theory is considered one of the most famous and useful approaches to study the relationship between leadership process and leadership outcomes. It was first developed by Graeri and colleagues in 1975 under the name Vertical Dyad Theory (Dansereau et al., 1975: 47). LMX is different from other theories because the aim of other traditional leadership theories is to understand and explain the personal characteristics of leaders, or the situation in which leaders perform their leadership. However, what distinguishes LMX from other leadership theories is that LMX theory focuses on the dyadic relationship between leaders and members. In other words, what makes LMX unique is its ability to analyze human relationship and the interaction that happens between leaders and members and the affect it has on organizations. LMX is said to have a great and positive influence on organizational performance. For instance, increasing in performance ratings, better overall satisfaction for employees, good relationship with supervisors, and leads to more organizational commitment (Gerstner, C. R., and Day, D. V. 1997: 829).

LMX can have a great positive effect on both leaders and members and the overall organizational performance. These positive characteristics can lead to the success of organizational endeavors, and that is one of the reasons that LMX theory was selected in as a main component in this research. As we will see in the coming chapters, in this paper the relationship between LMX theory and innovation performance in small and medium enterprises will be analyzed. In addition to that the effect of the Fourth Industrial Revolution technology on LMX and innovation levels will be also investigated.

2. Disruptive Innovation Theory

The second theory that will be discussed in this research paper is Disruptive Innovation Theory. The theory was introduced and popularized by the Harvard University's Business School professor Clayton Christensen in 1997. According to some research Disruptive Innovation is an effective tool that has the power to broaden existing market and create completely new markets with new line of customers. These changes that Disruptive Innovation makes can disrupt the market and lead dominant and strong companies to lose their market share and their popularity among customers (Dan, Y., and Chieh, H. C. 2008: 435).

Disruptive Innovation happens when the main players of the market continue to dominate the market by focusing on the main customers and continue to develop the products and services that the main customers prefer. They ignore making new products or focusing on other customers because the majority of customers are satisfied with their products or services. On the other hand, we find the new entrants of the market are developing a new set of products and services for the neglected customers by dominant companies. The new entrants continue to develop their new

products and services until they reach a point where the main customers start to adopt their products and services. At this point when they the dominant players of the market realize that the value of their products have decreased due to the effect of the new products introduced by the new entrants, they try to catch up but usually fail to do so. The new entrants with their disruptive innovative products and services continue to climb up the ladder until they cause the dominant companies to exit the market or at least survive with little resources and base of customers.

3. Small and Medium Enterprises (SMEs)

Small and medium-sized enterprises (SMEs) play an important role in the advancement of the economic and social wellbeing of countries. They are considered a great tool that can be used to solve the issue of unemployment in societies. In addition to that, SMEs are considered an innovation machine, where many great inventions can be tested and sent to the market to be consumed by regular customers and companies. SMEs provide big companies and factories with necessary materials that are vital in the making of some products. Although SMEs can be a great element for the wellbeing of economies and societies, there are certain factors that can threaten the survival of SMEs. For example, the response of SMEs towards the market and towards products or services that meet the needs of the local and international customers (Ale Ebrahim, et al., 2009: 916). One of the great solutions for SMEs to use to survive in tough markets is innovation (Bigliardi, B., et al., 2011: 84).

Due to the changes that are caused by the technology of the Fourth Industrial Revolution and the new machines that entered the market almost every day, companies of all sizes face the threat of losing their market share and exit the market. In addition to the technology of the Fourth Industrial Revolution, new regulations and policies by governments and global organizations can also create all of unwanted changes that organizations will have to with. And as we all know that new challenges require new solutions, and here comes the value of innovation. In this research we claim that SMEs can use innovation to overcome the challenges that are caused by the continuous changes in today's global market. In this paper we will focus on the Saudi and Japanese tourism Small and Medium Enterprises. As we mentioned before that the research scope is going to be Makkah Region in Saudi Arabia and Kansai Region in Japan. We will study the factors that lead to the enhancement of innovation performance in Saudi and Japanese SMEs. Specifically, this paper will measure the effect of LMX theory on disruptive Innovation levels in tourism Saudi and Japanese SMEs.

III Methods

In this research, I would like to establish a theoretical framework by conducting a Systematic Literature Review (SLR) on Leader-Member Exchange Theory (LMX) and Disruptive Innovation theory. After that I would like to analyze the dynamics of LMX and Disruptive Innovation in tourism SMEs in Saudi Arabia and Japan. First, I would like to utilize the following search engines to conduct my SLR which is the theoretical part of this paper. The search engines are Osaka Sangyo University database, Google scholar, Scopus and web of science. A thorough and detailed search will be conducted to cover the previous research on the topics of leadership and innovation in general, and LMX and Disruptive Innovation in particular. Specifically, I would like to review the research regarding LMX theory and SMEs and the impact it has on innovation levels.

A qualitative method will be applied where participants will be interviewed, and their response will be recorded and analyzed. Since this research is a comparative research, the interviews will take place in Saudi Arabia and Japan where the data will be collected from tourism SMEs from both countries. In this paper only high value materials will be used and only authentic papers from companies will be included to ensure that there is validity and transparency in the data used in this research.

IV Research Results and Conclusions

Based on the Systematic Literature Review (SLR) that has been conducted on the theoretical section of this paper, the importance of leadership in enhancing innovation capabilities has been discussed. Especially, the role of Leader-Member Exchange Theory (LMX) in improving the performance of Disruptive Innovation Capabilities in Small and Medium Enterprises (SMEs). Trust, safety, and transparency are important elements in any innovation activity. Therefore, I propose that high-quality LMX relationship between leaders and members can help SMEs to improve their Disruptive Innovation performance. According to the SLR that we performed, high quality LMX relationship between leaders and members can lead to a safer and more productive environment. In addition, a good relationship between leaders and members can encourage members to share their thoughts, feelings and ideas which can enhance creativity abilities and innovation performance. Moreover, a high quality LMX can increase the loyalty to the organization, and that can lead to a good innovation result and a good overall organizational performance.

After that I discussed the changes that the global market has experienced because of the Fourth Industrial Revolution (4IR). In the era of the 4IR a lot of new technologies enter the market continuously. These new technologies such as Internet of Things, Big Data, and virtual Reality have changed the global market and posed new challenges for organizations of all sizes. When

organizations are faced with new challenges they need to use new solutions to overcome the challenges they are facing. This require the organizations of all sizes including SMEs to improve and work on their innovation capabilities, because without sufficient creativity and innovation resources, their ability to face the problem that come on their way will not be strong enough. In this paper we mentioned the importance of Disruptive Innovation for SMEs, and the need for them to use LMX leadership style as a tool to enhance their innovation abilities. We also think that leadership and innovation are inseparable, and the role of leaders in helping members to be creative and innovative is huge and without the leadership support innovation results can be difficult to achieve.

Based on the discussion above I conclude that 4IR has substantial effect on the global market and has made a lot of changes. These new changes have brought with them new challenges which require all organizations to prepare themselves to be ready to deal with the new problems caused by the 4IR technologies. These new problems and chances need from leaders to be ready to adopt new of thinking and operating to increase their chances of overcoming these challenges and archive the desired outcome. Finally, based on the SLR that has been done in this research paper we concluded that SMEs will benefit from LMX as an effective tool to increase their Disruptive Innovation performance. Innovation require a safe and transparent environment, and the use of LMX leadership style will provide the safety and security that members need in order to be creative and innovative.

V Contributions

As mentioned above, this study aims to analyze the effect of LMX theory on Disruptive Innovation performance in Saudi and Japanese tourism SMEs. It also aims to shed light on the effect of the 4IR technology on the leadership and innovation of SMEs. This paper will contribute to the existing literature theoretical and practically. The following points will demonstrate the contribution of this paper:

1. Theoretical Contribution

This study will contribute to the improvement of Disruptive Innovation theory by providing a clear framework for it when applied in SMEs in the age of the Fourth Industrial Revolution. It will extend the theory by analyzing the relationship between LMX Theory and Disruptive Innovation in SMEs environments and come up with a coherent model that explains the relationship in a clear way. By focusing on LMX theory which is a leadership style that focuses on human relationships in organizations and use it as a tool to enhance disruptive innovation

performance in SMEs. This paper provides a new angle for studying the relationship between leadership and innovation. Finally, this study emphasizes the importance of the technology and services of the Fourth Industrial Revolution era, and how it relates to other important factors like innovation and leadership.

2. Practical Contribution

One of the objectives of this study is also to improve SMEs innovation practices, which can help leaders to increase their innovation capacities. This study provide a practical contribution by suggesting a clear strategies that stem from LMX theory that aim to enhance organizational and innovation performance in SMEs. A clear framework that combine the two theories of LMX and Disruptive Innovation that will contribute to the enhancement of human relations and the overall performance of SMEs. In addition to that, this study aims to provide a clear explanation of the role that (4IR) technology and services play in tourism SMEs, which can assist leaders in travel agencies to make full use of them and use it to their advantage. Finally, this study has a direct relationship to the Saudi Japan Vision 2030, which aims to improve tourism industry.

Keywords: Leader-Member Exchange Theory (LMX), Disruptive Innovation, Fourth Industrial Revolution (4IR), Small and Medium Enterprises (SMEs), Tourism Industry

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<Doctoral Dissertation>

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Introduction

1 Background/ Objectives and Goals

The relationship between The Kingdom of Saudi Arabia and Japan date back to 1955. Since that time, the two countries have developed strong relationship based on respect and cooperation. Economically Saudi Arabia and Japan have strong and old partnership. The Kingdom of Saudi Arabia supply Japan with oil and chemical products. On the other hand, Saudi Arabia import cars, excavator machines and electricity products. In April 2016, the kingdom has announced the implementation of “Vision 2030”¹ which considered one of the biggest and most ambitious projects in the world. The vision is a roadmap for The Kingdom to achieve economic and social stability, and to be a much more effective player in the development of the global economy. From “Vision 2030” the “Saudi Japan Vision 2030” was born, which was announced in September 2019 when Crown Prince “Mohamed Bin Salman” visited Japan. One of the main goals of the “Saudi Japan Vision 2030” is to develop and assist Small and Medium Enterprises (SMEs) and the tourism sector. This research is comparative research between tourism SMEs in Saudi Arabia and Japan, and it aims to support the vision by doing research in the tourism industry.

Beside Saudi Japan Vision 2030, there are other motivations for making this research. Other reasons include the importance of tourism industry for both countries and the role it plays in employment and economy growth. Also, A Prior and Inductive Sampling is another reason that was behind the motivation of making this research. In addition, since Kansai and Makkah Region share tourism and geographical similarities, I would like to do the investigation of theoretical similarities between the two regions. I will explain in detail in the Method Section the reasons for selecting the samples and the motivation for making this study.

One of the main objectives of this paper is to address the changes that are happening to organizations around the world due to the Fourth Industrial Revolution. These changes have made the competition between organizations more sever and brought along with them new challenges for companies. When companies face a new challenge, they need to develop new solutions. Innovation helps organizations to come up with unique solutions for new challenges. That is why in this paper, the role that innovation plays in the Saudi and Japanese tourism Small and Medium Enterprises will be investigated. Ignoring innovation means that organizations will decrease their

¹ In 2016 the Kingdom of Saudi Arabia launched an ambitious plan under the name (Vision2030). The primary goal of the vision is to decrease its dependency on oil and to diversify the economy (Kosarova, D.,2020: 124). In addition to that, the vision aims to make a lot of social and educational reforms to increase the quality in Saudi Arabia. One of the main goals of the vision is develop tourism sector. Another major objective is to help SMEs by increasing financial assistance and by providing professional consulting services.

chances of overcoming the new challenges and opportunities that is caused by Forth Industrial Revolution.

The effect of Leader and Member Exchange Theory (LMX) on Disruptive Innovation in the Saudi and Japanese tourism SMEs will be analyzed. Disruptive Innovation is considered one of the best types of innovation for Small and Medium Enterprises². In addition to that, the effect of the fourth Industrial Revolution technologies on both Leader and Member Exchange Theory (LMX) and Disruptive Innovation in the Saudi and Japanese tourism Small and Medium Enterprises will be investigated. Finally, SMEs play a pivotal role in the advancement of economy and is consider an effective tool when dealing with the problem of unemployment. Furthermore, developing the tourism sector can help to diversify the economy. Also, it helps countries to introduce their culture, customs, and traditions to other countries and to increase global understanding.

2 Field of Research

This research aims to investigate the relationship between LMX and disruptive innovation in Saudi and Japanese tourism SMEs. The research scope is going to be Makkah region in Saudi Arabia and Kansai region in Japan. The reason behind the selection of these two regions is the similarities they have. For example, both regions have many tourist attractions, and since this research is investigating the tourism SMEs, it makes perfect sense to select these two regions. For instance, in Makkah Region³ there are Jeddah City, Madinah City and Makkah City, which are very popular tourist destinations in Saudi Arabia. On the other hand, in Kansai Region we have Kyoto City, Osaka city and Nara City, which also are considered a very popular places for tourists in Japan. In addition to that, Makkah Region and Kansai Region are both close to other popular tourist attractions. For example, Makkah Region is close to Neom City and Qeddaiyah project that are considered one of the biggest tourism projects in the world. On the other hand, Kansai Region is also close to Wakayama Prefecture, Hyogo Prefecture, which also are considered a popular tourist attraction in Western Japan. All these similarities make the two regions a perfect choice for the research scope.

² Disruptive Innovation is considered by some researchers to be very effective tool for SMEs. The reason is because unlike big enterprises, SMEs have more flexible organizational structure, flexible strategy development, less strategic and organizational barriers (Chen, J., and Zhang, Y. 2017: 141).

³ The Kingdom of Saudi Arabia is one of the biggest countries in the Middle East. The country is divided into five administrative provinces and thirteen regions. Makkah region is the third largest region in the country, and it is the birthplace of Islam religion. Furthermore, Makkah region has the Holy Mosques of Makkah and Madinah which are considered the most important places for Muslims. This makes Makkah region one of the most visited places in Saudi Arabia and it is the most popular religious tourist places in the Middle East (Ibrahim, A. et al., 2021:4104).

This research is based on the theoretical research centered on LMX and Disruptive Innovation. Moreover, I will analyze the process that can assist the Saudi and Japanese tourism SMEs to realize disruptive innovation in their organizations and achieve a long-term competitive advantage. This paper is attempting to analyze the possibility for small and medium enterprises to use LMX theory to enhance disruptive innovation abilities. Therefore, the theoretical scope and the practical scope of this research are as follows.

I Leader-Member Exchange Theory

Leader-member exchange (LMX) theory is considered one of the most famous and useful approaches to study the relationship between leadership process and leadership outcomes.⁴ It was first developed by Graeri and colleagues in 1975 under the name Vertical Dyad Theory (Dansereau et al., 1975: 47). LMX is different from other theories because the aim of other traditional leadership theories is to understand and explain the personal characteristics of leaders, or the situation in which leaders perform their leadership. However, what distinguishes LMX from other leadership theories is that LMX theory focuses on the dyadic relationship between leaders and members. In other words, what makes LMX unique is its ability to analyze human relationship and the interaction that happens between leaders and members and the affect it has on organizations.

LMX is said to have a great and positive influence on organizational performance. For instance, increasing in performance ratings, better overall satisfaction for employees, good relationship with supervisors, and leads to more organizational commitment (Gerstner, C. R., and Day, D. V. 1997: 829). LMX can have a great positive effect on both leaders and members and the overall performance of organizations. In this paper, I will discuss the relationship between LMX theory and innovation performance in small and medium enterprises. In addition to that the effect of the Fourth Industrial Revolution technology on LMX and Disruptive Innovation will be investigated.

II Disruptive Innovation Theory

The second theory that will be discussed in this research paper is Disruptive Innovation Theory.⁵ The theory was introduced and popularized by the Harvard University's Business

⁴ What makes LMX different from other leadership theories is that in LMX leaders differentiate between their followers. In other words, leaders treat employees who are skillful, loyal, and experienced differently than others. They get more attention and leaders listen to their opinions and ideas. Such employees form a high-quality relationship with leaders. Consequently, they develop great leadership skills and contribute more to the organization (Buengeler, C., et al., 2021: 261).

⁵ Disruptive Innovation theory started in 1995 when Brower and Christensen noticed that big companies fail to

School professor Clayton Christensen. According to some research Disruptive Innovation is an effective tool that has the power to broaden existing market and create completely new markets with new line of customers. These changes that Disruptive Innovation makes can disrupt the market and lead dominant and strong companies to lose their market share and their popularity among customers (Dan, Y., and Chieh, H. C. 2008: 435). Disruptive Innovation happens when the main player of the market continues to dominate the market by focusing on the main customers and continue to develop the products and services that the main customers prefer. They ignore making new products or focusing on other customers because most customers are satisfied with their products or services.

On the other hand, new entrants of the market are developing a new set of products and services for the neglected customers by dominant companies. The new entrants continue to develop their new products and services until they reach a point where the main customers start to adopt their products and services. At this point when they the dominant players of the market realize that the value of their products has decreased because of the new products introduced by the new entrants, they try to catch up but usually fail to do so. The new entrants with their disruptive innovative products and services continue to climb up the ladder until they cause the dominant companies to exit the market or at least survive with little resources and base of customers.

III Small and Medium Enterprises (SMEs)

Small and medium-sized enterprises (SMEs) play an important role in the advancement of the economic and social well-being of countries.⁶ They are considered a great tool that can be used to solve the issue of unemployment in societies. In addition to that, SMEs are considered an innovation machine, where many great inventions can be tested and sent to the market to be consumed by regular customers and companies. SMEs provide big companies and factories with necessary materials that are vital in the making of some products.

Although SMEs can be a great element for the wellbeing of economies and societies, there are certain factors that can threaten the survival of SMEs. For example, the survival of SMEs

dominate their industry when new technology or markets emerged. The term Disruptive Innovation is used to describe the disruption that happened to the market. It starts with new entrants to the market with fewer resources challenge incumbent companies. New entrants target over-looked customers by providing products that are consider inferior by many customers. However, new entrants keep developing their products until they become popular among most customers. Disruption starts in the low-end of the market, and new entrants keep moving towards the high-end of the market until they defeat incumbent firms (Hopp, C. et al., 2018: 446).

⁶ There are many characteristics that make SMEs very important element for economic growth. For instance, in addition to the high heterogeneously and flexibility levels, SMEs also can be an innovation machine. Additionally, the diverse products and services they provide to the market along with the variety of sizes and levels of technology can benefit the society (Chatterjee, S., and Kar, A. K. 2020: 1).

depends on their response towards the market and towards the products and services that meet the needs of the local and international customers (Ale Ebrahim, et al., 2009: 916). In other words, SMEs need to be responsive and act quickly and decisively towards the new challenges in the market. One of the great solutions that can be used by SMEs to be responsive and to survive in tough markets is innovation (Bigliardi, B., et al., 2011: 84). Due to the changes that are caused by the technology of the Fourth Industrial Revolution, companies of all sizes face the threat of losing their market share and exit the market. In addition to the technology of the Fourth Industrial Revolution, new regulations and policies by governments and global organizations can also create unwanted changes that organizations will have to deal with. New challenges require new solutions, and here comes the value of innovation.

One of the main arguments of this paper is that SMEs can use innovation to overcome the challenges that are caused by the continues changes in today's global market. In this research the focus will be on the Saudi and Japanese tourism SMEs. The scope of this research is going to be Makkah Region in Saudi Arabia and Kansai Region in Japan. The factors that lead to the enhancement of innovation performance in Saudi and Japanese SMEs will be analyzed. Specifically, this paper will measure the effect of LMX theory on Disruptive Innovation levels in tourism SMEs of Saudi Arabia and Japan.

3 Methods

In this section I will talk about the different methodologies used in the social science research. After that I will discuss the methodology that has been used in this paper. In his book *Social Research Methods*, Bryman, A. (2016) gave a detailed explanation of the different methods and tools that are being used in the social science research. First, he talks about deductive and inductive theory and the approaches each theory has in relation to the research. In deductive theory the researchers build on what is already known in a particular domain. The purpose is to deduce a hypothesis and test it through different measures to prove its validity. The process of deduction theory involves six main steps. The steps are theory, hypothesis, data collection, findings, hypothesis confirmed or rejected and revision of theory. In contrast, the inductive approach starts with observations and then come up with findings and the final step would be to create a theory (Bryman, A. 2016: 21). In this study I used a deductive approach, and I will analyze it and provide examples in the next section.

I Research Strategy

Another factor that impacts the research of social sciences is research strategy. The two main research strategies are quantitative and qualitative research. Quantitative researchers employ measurements to test the hypothesis and theories of their domains. On the other hand, qualitative researchers utilize interviews and open-ended questions to collect and test data. Other differences include principal orientation where quantitative method is usually used to test theories and qualitative method is utilized for generation of theories. Also, epistemological, and ontological orientation is different where quantitative is positivism and objectivism and qualitative is interpretivism and constructionism (Bryman, A. 2016: 32). Since the research strategy that has been used in this research is qualitative, I will talk about it and provide examples in the next section.

As I mentioned earlier, in this paper I used a deductive approach to test and analyze the hypothesis of this research. For example, there are two hypothesis that is being investigated in this research. One: LMX can help to enhance disruptive innovation performance in tourism SMEs. Two: Disruptive innovation and LMX have a positive correlation relationship. These are the hypothesis that was followed by data collection from Saudi and Japanese tourism SMEs and then after that came the findings and the confirmation of the hypothesis of this research. According to the process of deduction that has been mentioned by Bryman, A. (2016), this research uses the deductive theory as the main instrument to test the hypothesis of this paper. In the Results and Contribution section I will provide a clear explanation on how the data supports and confirms the hypothesis of this study.

II Reasons for Selecting the Research Strategy

The strategy research that was applied in this study is qualitative. This is because the main instrument that was used to collect data from participants was interviews. There are many reasons that make qualitative strategy suitable for this study. First, this study is investigating LMX which is a leadership theory that focuses on human relationships between leaders and followers. Therefore, using a qualitative strategy would allow for more open-ended questions about the dynamics that govern the relationships among participants. Other advantages of using qualitative strategy include self-expression, enhanced self-understanding, knowledge, and skill acquisition (Opsal, T. et al., 2016: 7). Also, using a qualitative strategy would allow for more investigation about examples from participants about leadership and innovation inside their companies. Participants would have more freedom to provide and talk about the nature of leadership and the

innovation mechanisms in their companies and that would help this study by providing more data to analyze.

Another reason that makes qualitative strategy best for this study is that in quantitative strategy it is required to do standardization of procedures and random selection of participants. This step is important to avoid and remove the potential influence of external variables and ensure generalizability of results. On the other hand, selection in qualitative research is purposeful and participants are chosen based on their ability to answer the questions of the study and provide detailed and useful information for researchers. The selected sample must be able to provide researchers with specific information that will further the development of the study (Sargeant, J. 2012: 2). Based on these conditions above, the selection of research strategy and the selection of samples from Saudi Arabia and Japan were decided.

III The Sample of the Study: its Importance and the Rational Behind the Selection

Now I would like to provide an explanation for the reasons that determined the citation of the examples of Saudi Arabia and Japan. First, tourism industry is of vital importance to the global economy. For instance, 5% of the global gross domestic product (GDP) is what the tourism industry provides. In addition, it accounts for more 8% of the total world employment. This importance of tourism industry extends to the economy of Saudi Arabia. The country is investing in tourism industry more than ever before and it is an important factor in employment and economy diversification (Abuhjeeleh, M. 2019: 2). In Japan tourism industry represent 10.9 per cent of total Japanese employment and it plays an important role in international diplomacy (Uzama, A. 2009: 356). The importance of tourism industry for Saudi Arabia and Japan is one of the reasons behind the selection of the sample.

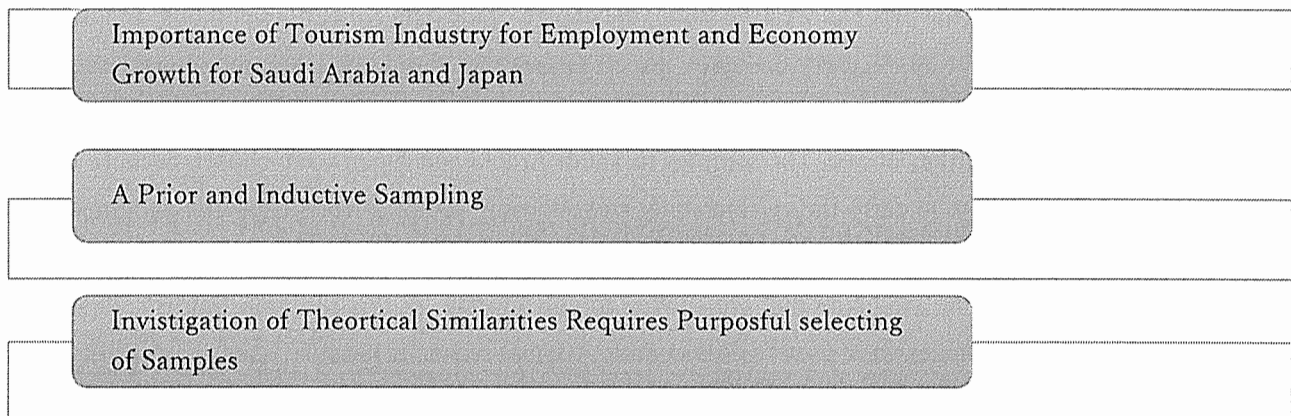
Also, some research suggests that A Prior and Versus Inductive Sampling is one of the factors that should be taken into consideration when selecting samples. In other words, the degree of flexibility in the procedure of the study, the choice of the data collection methods, and the amount the researcher has to carry the study are all factors that should be taken into consideration when selecting samples for the study (Guest, G. 2014: 221). I provided the samples of this study based on the conditions above. The samples in Saudi Arabia and Japan were chosen because there was a limited time to carry the current study and choosing samples from a specific geographical area where the researcher can access information is critical. The chosen samples provided accessibility in terms of the language that are spoken to collect data. In this research English, Japanese and Arabic languages were used to collect data. Another reason is because I had accessibility in terms of geographical area. The samples from Saudi Arabia are chosen from Makkah Region, which is important because of the connections I have in that area that will assist me in the data collection

phase. Also, the sample from Japan were selected from Kansai Region which was critical because it allowed me to contact some of the companies in person to ask them to complete the survey.

In addition to the above mentioned rational, other reasons have been mentioned above in the Field of Research Section such as the similarities they have in terms of tourism and geographical similarities. This led me to investigate and explore weather Makkah and Kansai Regions also have theoretical similarities or not. For this reason, some research suggests that choosing a sample purposefully is important for qualitative research. Selective sampling that can help to investigate theoretical similarities is governed by many factors. These factors include time available for the researcher, location, and the restrictions placed on the researcher by his hosts. Other factors that are related to the selected participants include the role, status, and function in organization (Coyne, I. T. 1997: 624). In this study I investigate LMX and Disruptive Innovation theory and both theories have strong connection to human relations. This is because LMX is a theory centered in the relationship between leaders and followers and Disruptive Innovation is a result of creativity that is highly affected by environment and human relations. To sum up, the selection of the sample of the study was done based on the following reasons. One, qualitative research requires purposeful selecting that is based on many factors including time, location role, status, and function in organization. Two, to investigate weather Makkah and Kansai Regions also have theoretical similarities or not, deliberate selecting of samples was necessary.

In conclusion, there are three main reasons behind the selecting of samples in Saudi Arabia and Japan for this research. First, the importance of tourism industry for both countries and the role it plays in employment and economy growth. Second, A Prior and Inductive Sampling is another reason where researchers should take time and resources available to them into consideration when selecting the samples. Third, the investigation of theoretical similarities requires researchers to do a deliberate and purposeful selecting of samples.

Figuer1: Reasons for Selecting the Samples of The Study



Source: Made by the Author

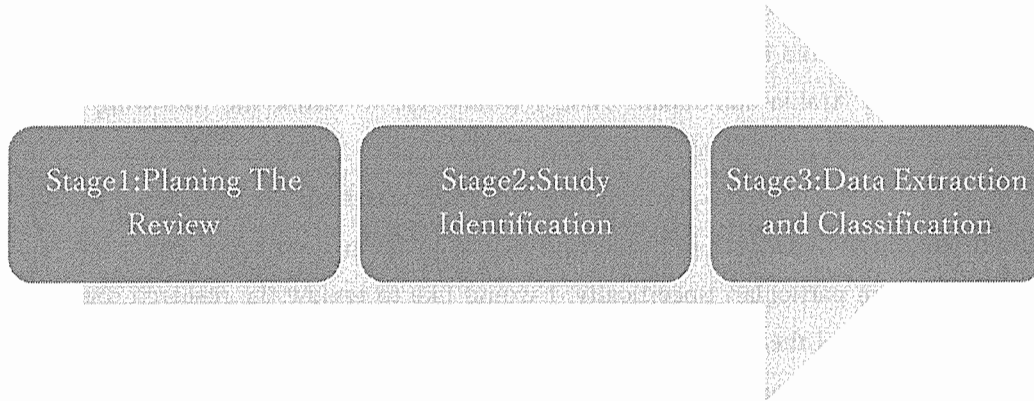
IV Systematic Literature Review (SLR)

In this research, I would like to establish a theoretical framework by conducting a Systematic Literature Review (SLR) on Leader-Member Exchange Theory (LMX) and Disruptive Innovation theory. After that I would like to analyze the dynamics of LMX and Disruptive Innovation in tourism SMEs in Saudi Arabia and Japan. First, I would like to utilize the following search engines to conduct the SLR. The search engines are Osaka Sangyo University database, Google scholar, Scopus, and web of science. A thorough and detailed search will be conducted to cover the previous research on the topics of leadership and innovation in general, and LMX and Disruptive Innovation in particular. Specifically, I would like to review the research regarding LMX theory and SMEs and the impact LMX has on innovation levels. Next, in this research a qualitative method will be applied where participants will be interviewed, and their response will be recorded and analyzed. Since this research is comparative research, the interviews will take place in Saudi Arabia and Japan where the data will be collected from tourism SMEs from both countries. In this paper only high value materials will be used and only authentic papers from companies will be included to ensure that there is validity and transparency in the data used in this research.

In this research SLR method will be used to answer the research questions of the study. SLR is a method that researchers use to evaluate and interpret all the research that is available and relevant to the topic area or to a particular research question. The main goal of conducting SLR is to evaluate the research topic in a fair way by using trustworthy, rigorous, and auditable methodology (Kitchenham, B. 2004: 5). Although SLR methods started in the medical and health care sectors, it has been adopted later by other researchers from other fields including social sciences. The purpose is to provide the best way to assemble and make policy decisions. The reason why SLR methods are used in management studies is to provide clarity, transparency and full coverage on a particular topic or area (Parris, D. L., and Peachey, J. W. 2013: 10). SLR is a review in which there is a comprehensive search for relevant studies on a specific topic, and those identified are then appraised and synthesized according to a pre-determined explicit method (Klassen et al., 1998: 700).

The SLR conducted in this study was proposed by (Petersen, K. et al, 2008: 1-10). The process is divided into three stages, and each stage accomplishes a specific goal. The first stage is planning the review and defining the search protocol that is going to be used in the search process. The second stage is for the selection of studies according to the principles and the protocol that have been identified in the first stage. In the third stage comes the data extraction and classification, and in this stage the data will be extracted from the studies that have been selected and then will be classified. Figure (1) is shown the process that have been followed in this study to instigate the research questions.

Figure 2: The Process of SLR



Source: Made by The Author

The chart above shows SLR process that have been adopted in this paper. SLR process is divided into three main stages. One, the planning and review stage and in this stage the search strategy is defined and specified in a clear way. This stage is the most important phase because it affects all the other stages of the research. The planning in this stage includes defining the search engines, the inclusion criteria, the exclusion criteria, and key words. Two, the next stage is a study identification and in this stage the researcher selected the relevant studies in accordance with the research strategy that has been defined in the first stage. Also, in this stage a lot of papers have been selected, but then after that a refinement process have applied to select only the most relevant studies. Three, the final stage is data extraction and classification where the data from the selected studies are extracted and classified according to the goals and the objectives of the study.

V Stage one: Planning the Review

In this stage the main protocol of the research has been defined and adopted to the other stages. All the following procedures have been followed by the researcher to ensure that all the data that will be extracted from the research are relevant and useful. In addition to that, the search engines, the research questions, the inclusion criteria, the exclusion criteria, and key words haven identified in this stage. The key words that have been selected to look for the relevant papers are: Relational Leadership, Disruptive Innovation, SMEs, LMX, Innovation, Tourism Innovation and Fourth Industrial Revolution. It is important to note that these key words have been used separately and as combination to search for the relevant studies.

VI Inclusion criteria

In this research the researcher identified a set of inclusion criteria to ensure the authenticity and transparency of the data that will be used in this research. There are four inclusion criteria. First, all the selected papers should be written in a scientific peer-reviewed journals. However, exception will be made if there are some papers like doctoral and master thesis that are valid and can add value to the research if included. Second, all the selected papers should be relative to the present study. This condition was put to ensure that all the data used in this research paper are up to date and in alignment with current trends of the field. Third, all the research paper that will be selected in the extracting phase should be written in English, Japanese and Arabic languages. This research paper is investigating the tourism SMEs in Saudi Arabia and Japan, and papers that are published in Japanese and Arabic languages will be used. Fourth, peer-reviewed conference proceedings are considered valid and will be used in this paper. Finally, the inclusion requirement was set to ensure the validity, authenticity and transparency of the data that will be utilized in this paper.

VII Exclusion Criteria

There are four main exclusion criteria that will be used in this paper. First, reviews papers that are not peer-reviewed will not be included. Second, papers written in languages other than English, Arabic and Japanese will be excluded. Three, capstone articles and projects that are not considered as scientific papers. Four, articles that are not written in specialized magazines and are not subject to professional reviewing from academic professionals will be excluded. The purpose of this stage is to ensure that this research provides a relevant, up to date and authentic data.

Table1: Inclusion and Exclusion Criteria

Inclusion Criteria	Exclusion Criteria
Scientific peer-reviewed articles.	Review papers that are not peer-reviewed
All the selected papers should be relative to the present study.	Papers written in languages other than English, Arabic and Japanese will be excluded.

Included papers should be written in English, Japanese and Arabic languages.	Capstone articles and projects that are not considered as scientific papers.
Peer-review conference proceedings are considered valid and will be used in this paper.	Articles that are not written in specialized magazines and are not subject to professional reviewing from academic professionals

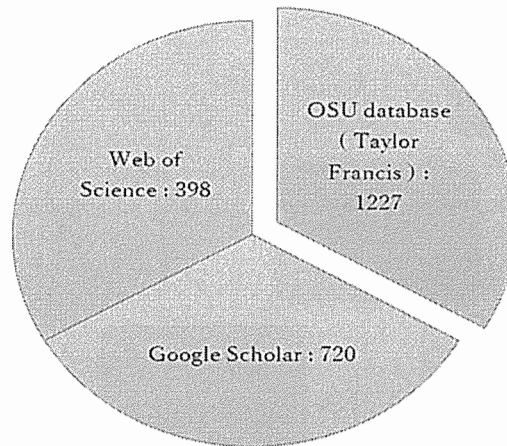
Source: Made by the author

VIII Stage Two: Study Identification

In stage two there are three main steps. First step, starting the research process by identifying the search engines that will be used to conduct the research. Second step, the filtering process, where the researcher excluded the papers and the data that does not meet the requirement of the inclusion criteria. Step three, the researcher conducts another round of search to ensure that all the selected papers satisfy the requirement inclusion.

In stage two, I identified the search engines that will be used in this paper. The research engines that I used in this paper are Osaka Sangyo University database, Google Scholar, and Web of Science. The key words that have been chosen to conduct this research are Relational Leadership, Disruptive Innovation, SMEs, LMX, Innovation, Tourism Innovation and Fourth Industrial Revolution. The results that were obtained for conducting the research using the mentioned research engines and key words are as the following. On the Osaka Sangyo University database (Taylor Francis) the obtained papers were one thousand two hundred and twenty-seven papers. From the globally famous research engine Google Scholar the researcher has obtained seven hundred and twenty papers. The results obtained from the Web of Science research engine were three hundred and eighty-nine papers. The total results of the papers obtained were two thousand and eighty-three papers.

Figure 3: Study Identification Phase

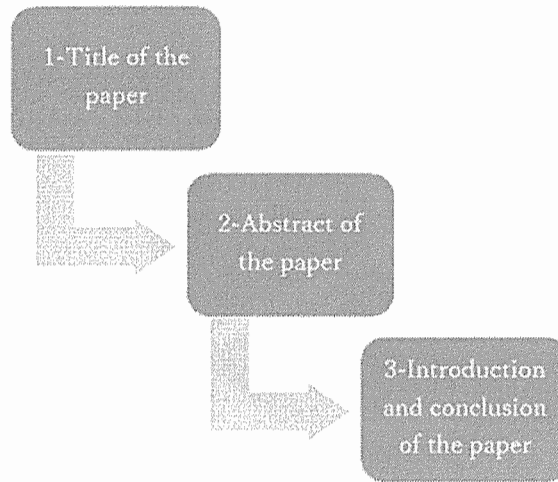


Source: Made by the Author

After that the results undergone a filtration process that consisted of three steps. First, I started by reading the title to see if it relates to the topic of this research paper or not. Second, the researcher read the abstract of the selected papers to decide its relevance. Third, I read the introduction and the conclusion to decide whether the paper can be used or not. The results of the filtration process were as follows. Research results where the title was not related were Google Scholar five hundred and thirty papers were eliminated because the title was not related. From OSU database (Taylor Francis) one thousand and one hundred and seventy-one papers were taken out because the title did not fit the objective of this paper. The Web of Science research engine three hundred eighty-two papers were eliminated.

The next phase was that the papers were either included or excluded based on the abstract and whether it relates to this research paper. The research result where the abstract was not related was as follows. Google Scholar four hundred and thirty papers were excluded. On the OSU database (Taylor and Francis) one thousand one hundred and sixty-two papers. Web of Science search engine three hundred eighty-two papers were eliminated. Finally, the papers were refined based on the relevance of its introduction and conclusion sections. The total papers that were excluded based on the abstract are one thousand nine hundred and seventy-four. The following graph shows the filtration process during conducting the research.

Figure 4: Filtration Process



Source: Made by the author

IX Stage 3: Data Extraction and Classification

The final stage of the Systematic Literature Review (SLR) was the data extraction and classification. The data were extracted based on the research questions that were the guide of the selection process. I would like to talk about research questions in details because they were the tool that the researcher used to extract the data. The questions that will be investigated in this research are the following: RQ1: What is the effect that LMX has on Disruptive Innovation when applied in tourism SMEs? RQ2: Do LMX and Disruptive Innovation have a correlational relationship? RQ3: What kind of impact does The Fourth Industrial Revolution has on LMX and Disruptive Innovation in the context of Tourism SMEs?

Table 2: Research Questions

Research Questions (RQ)	Discussion
RQ1: What is the effect that LMX has on Disruptive Innovation when applied in tourism SMEs?	This question analyzes the importance of leadership as one of the main tools to stimulate creativity and innovation in employees. However, there are many styles of leadership and different kinds of innovation. In this paper the focus will be on LMX and its ramifications on Disruptive Innovation. The reason why this question is important is because of the importance of Disruptive Innovation for SMEs in the Fourth Industrial Revolution. LMX leadership style values human

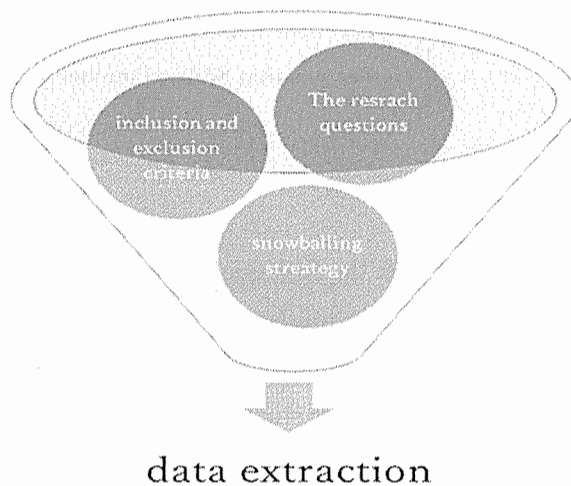
	relations, and research has shown that when people feel safe and secure their creative and innovative abilities improve.
RQ2: Do LMX and Disruptive Innovation have a correlational relationship?	This question analyzes the relationship between LMX and Disruptive Innovation in terms of their dependency. It investigates the relationship between the two elements in term of causation or a correlation perspective. Answering this question will deepen our understanding of the two elements and their effect on SMEs.
RQ3: What kind of impact does The Fourth Industrial Revolution has on LMX and Disruptive Innovation in the context of Tourism SMEs?	The acknowledgment of the huge changes caused by the technologies of the Fourth Industrial Revolution is necessary in today's SMEs research. These changes are changing the way we live and work and studying them will make us more able to deal with them in an effective manner. Analyzing the challenges that SMEs face because of these changes will help to avoid the undesirable outcomes.

Source: Made by the author

The description above show that the first question investigated the effect that LMX has on Disruptive Innovation when applied in tourism SMEs. The importance of this question comes from the fact that Disruptive Innovation is vital for SMEs in the Fourth Industrial Revolution. LMX can be used as a tool to accelerate the stimulation of creativity and innovation in employees. The data that were extracted from other research papers needed to have relevance concerning LMX and its implications on disruptive innovation. This was done to make sure that the selected papers are relevant and will provide the researcher with the proper, valid, and appropriate information. The second question was about LMX and Disruptive Innovation and wither they have a correlational relationship. A correlational relationship means that when one factor goes up the other factor goes up two, and when one factor goes down or decreases the other factor does the same thing. The investigation of such question will provide us with some information that will deepen our understanding of the two elements and their effect on SMEs. The same strategy was applied where the question guided the selection process. Data were extracted based on its relevance to the above two questions and whether they relate to LMX and disruptive innovation or not. Finally, the third question was about kind of impact does The Fourth Industrial Revolution has on LMX and Disruptive Innovation in the context of Tourism SMEs. This question is important because the technology of the fourth industrial revolution is changing the way we live and work and studying them will make us more able to deal with them in an effective manner.

Analyzing the challenges that SMEs face because of these changes will help to avoid the undesirable outcomes. The papers that touched upon this very important concept were selected in this paper to be a source that the researcher used to analyze the data and extract the needed information to answer the research questions. In addition to the research questions the researcher also used the inclusion and exclusion criteria that have been mentioned above to refine the selected papers. Finally, the last strategy that has been implemented in the final stage of SLR was the snowballing process. In this step the researcher did a snowballing research strategy based on the results that have produced from the refinement process of research questions and the inclusion and exclusion criteria. From the snowballing strategy, the researcher could extract even more relevant data because they were relevant and consistent to the objectives of this research paper.

Figure 5: Data Extraction Process

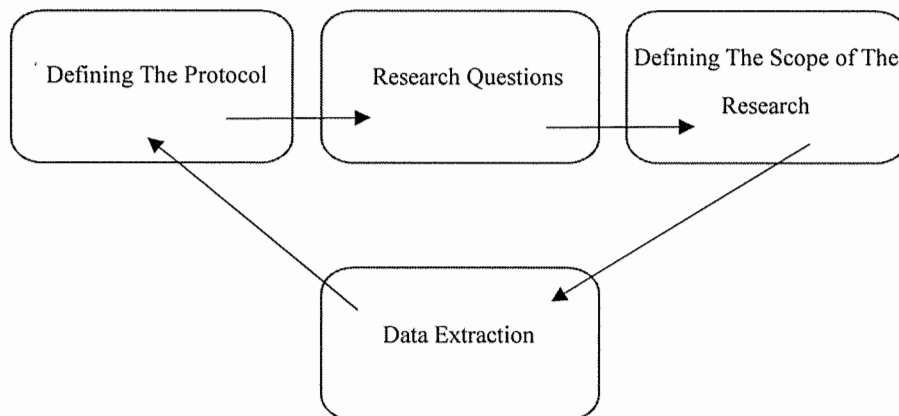


Source: Made by the author

In conclusion, the SLR method has been used to investigate the research questions.⁷ The process can be divided into four main stages. First, I defined the protocol of the research by identifying the inclusion criteria, exclusion criteria, key words, and search engines. Secondly, the research question was used to guide the search process to ensure that the data that will be received is relevant to the objectives of the study. Third, the scope of the review of the research was made clear by clarifying the region, language, and the date of publication for the data that will be used in the research. Figure 6 is a visualization of the SLR cycle that has been used in this paper.

⁷ SLR is used in management research as a methodology to review past literature in a systematic way to close the gap of different opinions in the field. Moreover, it assists policy makers and entrepreneurs in making better decisions and help researchers to synthesize the literature that has been done in the past (Kraus, S. et al., 2020: 1024).

Figure 6: The Cycle of SLR



Source: Made by the author

4. Research Perspective

In today's global market that is characterized by continuous change and fierce competition, the need for innovation has never been greater. Due to the technological innovations, new products and services enter the market in a continuous fashion. Organizations of all sizes are experiencing a huge change in the global and local market environments. Some researchers suggest that the reason behind these rapid changes is The Fourth Industrial Revolution also known as "4IR" (Bloem et al., 2014: 11).⁸ Organizations of all sizes need to incorporate innovation into their main strategy to stay ahead of the competition. The reason why is because innovation plays a pivotal role in the long-term survival of organizations. Some research studies found that without innovation, organizations cannot survive in the long run. This is due to the tough competition that organizations face nationally and internationally. In addition to that, the rapid changes in regulations and market conditions can lead to the emergence of new and unusual challenges that require creative and innovative solutions (Ancona, D., and Caldwell, D. 1987: 1; Amabile, T. M. 1988: 124).

However, innovation can be extremely difficult without the support of leadership. It plays an important role in making regulations, procedures and providing a supportive and encouraging environment for employees. Creativity and innovation cannot happen without human intervention. Innovation happens when creativity is established. In other words, the innovative process starts

⁸ There have been four industrial revolutions that caused a lot of economic and social changes. The First Industrial Revolution started with mechanization and steam power. The Second Industrial revolution begun with the mass production and electricity. The Third Industrial Revolution was the result of the invention of computers and automation. The Fourth Industrial Revolution is characterized with Cyber Physical Systems (Stancioiu, A. 2017: 74).

after the establishment of creative ideas by humans. However, the conditions that support and prohibit creative and innovative endeavors are critical to be understood before engaging in any innovative activity. The role of human resources and the management of this invaluable resource has been discussed by researchers. That is why in this study I also focus on this element, by studying the effect of LMX which focuses on human relationships on Disruptive Innovation. In addition to that, other studies have found that when employees have a good relationship with their supervisors, it can lead to improvement in their work performance, which supports the hypothesis of this research that good quality LMX relationships can lead to the improvement of disruptive innovation ability (Abraham, S. 2012: 28).

(1) The Dynamics of Innovation and LMX

Innovation is very important for organizations to be competitive in local and international markets. Private-sector Organizations that continue to innovate their products, services and procedures can stay ahead of the competition. (De Jong, J., and Den Hartog, D. 2010: 23). Today's global market is changing rapidly, which requires the private sector to engage in innovative activity in a continuous fashion. This means that firms must rely on their employees to produce innovative work (Ramamoorthy et al., 2005: 142). Innovation is a vital component for organizations to survive in the long-run and to grow and be able to compete. It can assist organizations to adapt to the changes that happen frequently in the business world, and this concept applies for product-based organizations as well as service-based organizations (Makri, M., and Scandura, T. A. 2010: 75). That is why innovation is an invaluable resource for any organization regardless of the size, sector, or region.

Leadership is necessary for encouraging and stimulating innovative behavior in organizations (Jung, D. et al. 2003: 526). LMX has been found by many researchers to be a good indicator of innovative work behavior (Kheng Y. et al., 2013: 50). When leaders provide their employees with resources and create a safe environment for them, the innovative behavior of employees tends to increase. When employees are treated well by leaders, they feel obliged to return the favor. In addition to that, when employees are treated well by their leaders, their loyalty to their organization, work engagement, and their overall performance are enhanced (Aselage and Eisenberger, 2003: 96). What separates LMX from other leadership styles is that LMX differentiates between subordinates. In other words, leaders choose to give more attention to some employees. This special attention is given to those who show loyalty and determination to improve their performance. Other leadership styles suggest that leaders treat all employees with the same behavior without any differentiation. LMX is based on social exchange theory which suggests that when individuals give something or do something to others, they expect them to

return the favor. Leader-Member Exchange (LMX) theory is based on the social exchange theory. LMX focuses on the relationship between leaders and members based on reciprocity.

(2) Innovation and Leadership in Tourism SMEs

In countries where oil is still the main source for economic growth, tourism and the role of hospitality has never been more important for the countries of the Gulf Cooperation Council (GCC).⁹ The need for diversifying the economy is pressing, and tourism have been getting more attention from both the public and private sectors. In the GCC countries, accommodation reaches about one-third of the spending of tourists. In 2013, there were more than 458,045 hotel rooms, with Saudi Arabia leading with a share of more than 63.6 percent. Tourism and hospitality play a very important role in the advancement of the economy and helps to diversify economic resources.

A lot of researchers have emphasized the importance of the investigation of tourism innovation (Hjalager, A. M. 2010: 1-12 Alsughayir, A. 2017: 189:195). The reason why this kind of research is important is because of the critical role tourism play in economic growth. Tourism is getting more attention in many countries, because of the ability of tourism sector to be as an effective diversification tool for the economy. The GCC countries have a great oil and gas reserves, and they considered by many to be the world's resource of power. They depend heavily on oil and gas revenue, but this can have negative ramifications on the economy. Since the price of oil and gas is always fluctuating, the economic, social, and political organizations can be affected by this instability. To overcome this challenge the GCC countries are investing in the tourism sector and are encouraging companies and organizations to invest in this important sector.

The effect of SMEs on the economy, and the contribution they provide for the societies is invaluable. In developed countries like America, Japan, and Germany, SMEs are the main player in the market and play a Signiant role in solving the problems of employment and enhancing innovation performance. We live in the Fourth Industrial Revolution, and the impact it has on SMEs is clear. Some researcher investigated this phenomenon and analyzed the impact of the technologies of Fourth Industrial Revolution on SMEs (Alqam, H., and Saqib, M. 2020: 121-127). In addition to that, some researchers are trying to analyze the relationship between leadership and innovation (Suhaimi et al. 2016: 32-41). Leadership is a critical element in any creative or innovative activity. It can either enhance or hinder innovation in organizations and the help of leaders to support innovation is important. That is because for innovative activities to be

⁹ The Cooperation Council for the Arab States of the Gulf also known as The Gulf Cooperation Council (GCC) is consisted of six Arab countries. The countries are Saudi Arabia, UAE, Bahrain, Qatar, Kuwait, and Oman. It is a political, economic, and regional association and it is one of the biggest gas and oil producing unions in the world. The GCC countries share a lot of cultural, traditional, and religious values, and the official language is Arabic.

successful, employees need to get the necessary resources from their leaders so that they can engage in innovative activities.

In this study, the relationship between LMX and Disruptive Innovation will be systematically analyzed. This paper will focus on the dynamic of the relationship between LMX and Disruptive Innovation in the context of tourism SMEs. This will provide us with a clear understanding and deepen our knowledge about the subject and the relationship between the different elements of innovation and leadership. Furthermore, the relationship between LMX and Disruptive Innovation will be systematically analyzed. Finally, the huge and undeniable effect of the Fourth Industrial Revolution on today's global market, and tourism industry will be examined.

5. Contributions

This study aims to analyze the effect of LMX theory on Disruptive Innovation performance in Saudi and Japanese tourism SMEs. In addition, it aims to shed light on the effect of the Fourth Industrial Revolution technology on leadership and innovation in SMEs. This paper will contribute to the existing literature theoretical and practically. The following points will demonstrate the contribution of this paper:

(1) Theoretical Contribution

This study will contribute to the improvement of Disruptive Innovation theory by providing a clear framework for it when applied in SMEs in the age of the Fourth Industrial Revolution. It will extend the theory by analyzing the relationship between LMX Theory and Disruptive Innovation in SMEs environments and come up with a coherent model that explains the relationship in a clear way. By focusing on LMX theory and Disruptive Innovation, this paper provides a new angle for studying their dynamic in tourism SMEs. Finally, this study emphasizes the importance of the technology and services of the Fourth Industrial Revolution era, and how it relates to other important factors like innovation and leadership.

(2) Practical Contribution

One of the objectives of this study is also to improve SMEs innovation practices, which can help leaders to increase their innovation capacities. This study provides a practical contribution by suggesting a clear strategy that stem from LMX theory that aim to enhance organizational and innovation performance in SMEs. A clear framework that combines the two theories of LMX and Disruptive Innovation that will contribute to the enhancement of human relations and the overall performance of SMEs. In addition to that, this study aims to provide a clear explanation of the

role that Fourth Industrial Revolution technology and services play in tourism SMEs, which can assist leaders in travel agencies to make full use of them and use it to their advantage. Finally, this study has a direct relationship to the Saudi Japan Vision 2030, which aims to improve tourism industry.

6. Proposition and Framework

Innovation gained more and more attention from both the public and the private sector leaders. Technology helped to provide the necessary tools and platforms for companies to expand their innovation capabilities by introducing new products and services to the market. Research has found that there is a strong relationship between leadership and innovation in the public sector (Borins, S. 2002: 467). Research has also shown that the relationship is strong in private sector and leaders can play a significant role in advancing the innovation process in their organizations (Bel, R. 2010: 1). Some researchers even suggest that the relationship between leadership and innovation is so strong that they consider leadership as one of the most influential predictors of innovation (Kathrine R. et al, 2011: 956).

Although, the literature suggests that there is a strong relation between the two factors, the research that explore them in SMEs is still scarce. This research aims to investigate the effect of Leader-Member Exchange on disruptive innovation in Saudi and Japanese tourism SMEs. The following questions can be used to uncover the nature of the relationship between the two components. Who is responsible for innovation in tourism SMEs? Does leadership help to improve disruptive innovation performance in tourism SMEs? What kind of behavior leaders in tourism SMEs exhibit when facing a challenge that require an innovative solution? What kind of environment in tourism SMEs leaders can provide that can support disruptive innovation?

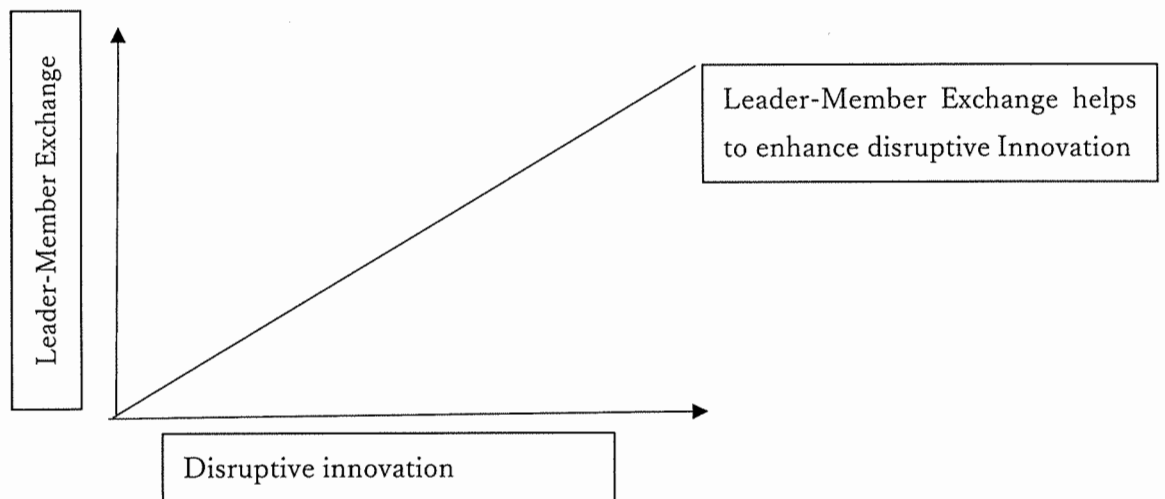
Based on what have been said so far, this research assumes the following two hypotheses that will be tested when carrying on this study. One: LMX can help to enhance disruptive innovation performance in tourism SMEs. Two: Disruptive innovation and LMX have a positive correlation relationship.

I would like to clarify the following propositions, which will aim to further develop the theory of Disruptive Innovation. One, the elucidation of Disruptive Innovation's framework in tourism SMEs and that by clarifying the main elements like (leadership behavior regarding disruptive innovation), (followers' reaction towards disruptive innovation process) and (ideal environmental factors for disruptive innovation). Two, the enhancement of Leader-Member Exchange quality can help to improve disruptive innovation. Three, the improvement in the exhibition of Leader-Member Exchange and Disruptive Innovation methods can lead to a more efficient organizational performance. Four, the rapid changes that are accompanying the Fourth

Industrial Revolution in the work environment need a new research strategy to shed light on them and to come up with new perspective for disruptive innovation in the age of 4IR.

Based on the propositions above, I would like to use the following framework to discuss and analyze them. One, Literature Review; the previous research on disruptive innovation and based on the findings decide the direction of this research. Two, after clarifying the characteristics of Disruptive Innovation in the age of the Fourth Industrial Revolution, the ability of companies to enhance their disruptive innovation performance through the development of Leader-Member Exchange practices will be confirmed. To test these hypotheses, a survey will be distributed to the chosen companies to collect the data.

Figure 7: The Hypothesis of This Paper



Source: Made by the author

Part I Literature Review

I Introduction:

. In this part, the literature of Leadership, Leader-Member Exchange Theory (LMX), Innovation Theory, Disruptive Innovation Theory, Small and Medium Enterprises (SMEs), and The Fourth Industrial Revolution literature will be reviewed. First, the literature that investigates leadership will be discussed. The different definitions, models and concept will be analyzed and classified. After that Leader-Member Exchange Theory (LMX) will also be analyzed and investigated from different angles. For example, the historical background of Leader-Member Exchange Theory (LMX), the changes and development that has occurred on the understanding of the theory and the new version of it. Second, the literature of Innovation Theory and Disruptive Innovation Theory has been examined and the different ideas and concepts concerning these two theories will be explored. Third, Small and Medium Enterprises (SMEs) literature which includes definition of different countries and organization of SMEs, the role that SMEs play in economy and the classification of the different models and ideas concerning this very important topic. In addition to that, the relationship between SMEs and leadership and innovation has also been reviewed thoroughly. Finally, The Fourth Industrial Revolution and the changes that bring to the economic, social, and political parts of our lives has been analyzed.

Since we live in Fourth Industrial Revolution age, it is important to discuss this important element and its effect on organizations and on our lives. The Fourth Industrial Revolution has changed a lot of concepts and policies and it made our live very different than before. That is why in this research paper we made sure to mention the effect that The Fourth Industrial Revolution has on SMEs and the changes it brings with it. In the next section the literature review will be critically analyzed by the researcher, and the unique points of this research will be discussed. In addition to that, all the definitions of leadership in general, Leader-Member Exchange Theory (LMX), innovation and Disruptive Innovation Theory will be analyzed. After that the researcher will provide the definition of each concept based on the main concepts of the other researchers' definitions.

II Leadership

In the past few decades, the research on leadership has gained a lot of attention from researchers around the world.¹⁰ The reason is because leadership plays an important role in the success of

¹⁰ The importance of leadership in organizations has led many researchers to classify leadership into different types. Traditional leadership is characterized with giving clear directions to subordinates on how the work should be done, provides resources that are necessary for accomplishing the task, rewarding good behavior, and acting only when something goes wrong. On the other hand, new leadership is characterized with charisma where subordinates perceive their leader as an exceptional and motivating person. Moreover, encouraging subordinates to think about

any organization (Kumar, C.R. 2007: 27). Leadership is the most important element in any organization, company, household, school or even a country. Leaders could motivate and influence their members to achieve the desired outcomes. They also possess the power to motivate, mobilize and encourage them to be a productive member in their societies. Leaders can motivate people and achieve great things and lead followers to make the world a better place. Even in our homes, the lack of an effective leadership that guides family members to the right path might cause a lot of misery. Leadership is not only performed and practiced in organization and companies. It is something those normal individuals also practice every day without recognizing it. Teachers and university professors also need leadership to be effective in their vocations. In organizations, without an effective leadership, employees might find it difficult to be productive, meantime competitive advantage and be innovative and creative (Yahaya, R., and Ebrahim, F. 2016: 190). The purpose of leadership is to lead followers and assist them to achieve the goals of the organizations. If the heart of the organization, which is leadership in this situation is not performing well, then the whole organization will be affected. That is why the study of leadership should be inclusive and analyze all the factors that might affect the quality of leadership. Because as we said before that leadership can be one of the most influential factors in the success of any organization.

(1) Styles of Leadership

However, leadership can be practiced by different styles and methods. There are many factors that can affect the style of leadership. Every leader is operating and functioning in a different and unique environment. Factors like culture, organizational climate, and the laws of the country that the leader is living in, and the social and cultural customs and traditions. All these factors make leadership comes in different shapes and forms (Nawaz, and Khan 2016: 1). That is leadership in the West is different than the leadership style practiced in the East. Culture and environment impact how we think, feel, and behave. It is difficult to take leadership out of its context, because when we do that the leadership loses its meaning. The purpose of leadership is to influence others and mobilize them to achieve the desired goals of the organization, company, or any other human cluster. When leadership is taken out of its context it becomes like an empty spirit, where respecting the culture and the social rules is not of importance.

Leadership is vital for any organization and leaders can be the source of encouragement and hope for subordinates. However, when human connections are not valued leadership becomes about giving orders and lead with a dictatorship. That is why in this research, I will focus on

their work and provides them with new ideas, be a good role model, creates a safe and trustful environment, and encourages innovation (Bryman, A., et al., 1996: 358).

human factor when leading, because I believe that when leaders take into consideration all the cultural and social elements and appreciate and respect them, their relationship with their members improve and their leadership enhanced.

(2) The Great Man Theory

In the literature of leadership, many different definitions and styles for leadership is discussed. For instance, in 1847, Thomas Carlyle came up with the The Great Man Theory. His theory stated that leaders are born, and one cannot learn the skills of leadership. He believed that people were born either as leaders or as members. However, in this research I argue that leadership is a learnable skill, and everyone can learn it. After that came leadership theories that focused on traits that distinguish leaders from other people. There were two main traits that researchers focused on. One, emergent traits or the traits that depends on heredity. For example, physical characteristics like height and weight, intellectual abilities like intelligence and psychological characteristics like self-confidence. Two, effectiveness traits or the traits that can develop and learned like self-discipline, and other learnable skills. After that came another trend in leadership studies where some researchers tried to shift the focus from leaders themselves to the situations, they are operating in. This is called contingency theories and it claims that leaders don't have fixed characteristics. Instead, they function and behave according to the situation of their environment. Leaders need to respond to the changes and deal with the unexpected events that occur from time to time. This theory claims that there is no right way of leading other people. Situations, economy, societies, individuals, and organizations are continually changing all the time. If leaders had only one style of leadership, it would be difficult for them to be flexible and adopt to the changes around them (Nawaz, and Khan 2016: 2).

This research is investigating creativity and innovation in SMEs and explaining the relationship between leadership and creativity will help to understand the interrelated relationship between these vital components. It is important to know that according to the two-factor leadership theory, leaders' behavior can be either task oriented or relationship oriented. Leaders who prefer to behave according to the task-oriented principle, prioritize things like clarifying roles, planning, managing time and money. The main goal is to get the job done and accomplish the task at hand. On the other hand, relationship-oriented leaders are more concerned with feelings, emotions, and the psychological state of their followers. They make sure that they show consideration, and act in a friendly and personal way with their members, and that is because their main concern is the wellbeing of their member (Amabile, T. M., et al., 2004: 7).

(3) Effective Leadership

It is important to remember that, regardless of the leadership style that the leader is using with his members, the effect of his or her actions on the followers are fundamental and strong. Leaders could control resources and planning of task, time, and money. This give them the power to be very influential and have the capacity to increase the innovation performance (García-Morales, et al., 2008:3). One of the leadership styles that encourages creativity is transformational leadership style. In this style leaders take the role of creating a vision and inspire their followers to realize the vision and make a reality. They work in continues fashion to refine their vision and make appealing to others. They support their members and always make sure that they have what they need to accomplish the tasks. They don not only create a common goal for members, but they also create the same mentality for members so that they act as one team and assist each other when needed (Sethibe, T., and Steyn, R. 2015: 330).

In their book *Effective Leadership* Achua and Lussier define leadership as the ability to influence others. They divide leadership into five key elements. The first key element is leaders-followers' relationship. According to their definition leadership is not only about leaders influencing followers, but followers also sometimes influence leaders and followers sometimes can be leaders in certain situations. The second key element is influence, which is the essence of leadership. It is the process where leaders communicate their ideas and inspire followers to implement them. The third key element is about setting organizational goals and creating visions. Effective leaders always have a clear plan and inspiring vision that aims to improve their organizations and communities. Change is the fourth key element in leadership definition, and if we look at the elements mentioned above, we can see that the purpose of these elements is simply change. Finally, people are the fifth element, and perhaps it is the most important one. Effective leaders treat people with respect and look at them as the most important asset that they have. Without good people skills and without good followers' leaders may find it very difficult to success (Achua and Lussier 2010: 6-8).

(4) Four Styles of Leadership

However, some researchers have different definitions of leadership. For example, Sethuraman and his colleagues define the leadership as the person who can create a vision, build an effective team, motivate his flowers, have good people skills, and help employees to develop and improve to minimize attrition (Sethuraman, K., and Suresh, J. 2014: 165). In addition to that, Leadership can be divided into four main groups. One, the style that is concerned with the task at hand and it also can be referred to as result oriented. Two, the style that prefers to focus on people more, rather than focusing on the task and it can be referred to as person centered. Three, the directive style known also as authoritarian leadership style. Four, the democratic way of leading known as participative leadership or democratic leadership. Five, the style based on transaction that some

researchers referred to as transactional leadership. Six, the transformational leadership style (Samad, S. 2012: 488). Researchers have found that there are eight traits that effective leaders usually exhibit when lead their followers. One, dominance which means that leaders usually tend to be dominant but not in a bad way. Two, high energy to achieve goals and overcome challenges. Three, self-confidence and this is one of the most important traits, and leaders also foster confidence among followers. Four, locus of control which means that leaders believe that they could control their fate and that makes them look stronger and more confident. Five, stability and good control of emotions. Effective leaders are stable emotionally and they do not let their emotions override their thinking. Six, integrity and honesty and that is crucial if one wants to be an effective leader. Seven, intelligence that helps leaders to be more creative and come up with innovative solutions. Eight, flexibility and the ability to be more flexible when faced with difficult challenges (Achua and Lussier, 2010: 33).

Research has shown that effective leadership skills can enhance innovation. They can also be used to increase organizational performance (Samad, S. 2012: 491). According to some research there are a lot of studies that investigate the relationship between the different leadership styles and organizational performance. However, the studies that are investigating the relationship between innovation and leadership in tourism SMEs are still rare. Therefore, investigating the relationship between leadership and innovation in SMEs is important because of the role that innovation plays in helping SMEs to be competitive and innovative (OKE. et al., 2009: 67).

III Leader-Member Exchange Theory (LMX)

LMX theory started under the name Vertical Dyad Theory (VDT) by Dansereau and his colleagues. Before that the research on leadership was focusing on two main assumptions. The first assumption is that the people who always report to their supervisors have similar perceptions, views and react similarly to the different situations. The second assumption is that leaders behave the same way with all the followers and without exception. According to the VDT creators, these assumptions have caused the research on leadership to be slow in moving forward. They proposed that studying leadership from the perspective of the vertical dyadic principle will allow us to not be limited by the two assumptions mentioned above. The relationship between a leader and a follower contained in a dyad (Dansereau et al., 1975: 47).

LMX is considered by many researchers to be the most important dyadic theory in leadership. While other leadership theories such as transformational leadership and servant leadership are concerned with the effect of the leaders' behavior on their followers, LMX places the attention on the dyadic relationship and the dynamic between leaders and followers as the most important thing. Since it is impossible to have a close relationship with all the employees in the company or

organization, leaders who follow the LMX approach form a close relationship with employees who usually are close to them and report to them frequently. They form a high-quality relationship that is based on mutual respect, appreciation, and trust.

(1) Social Exchange Theory

The social exchange theory can provide a good explanation for the LMX theory. The theory dictates that when one does a favor for someone the other party will usually return the favor. When leaders and members do that, their relationship moves from an “economic exchange” based relationship to a “social exchange” relationship. They keep doing favors for each other and helping each other until the relationship reaches a level where leaders and members are no longer constrained by the job description, and their relationship becomes so strong that they always try to protect each other's interests (Erdogan, B., and Bauer, T. 2014: 1-2). In LMX theory exchanges can be divided into two types: “economic exchanges” and “social exchanges”. However, only social exchange can increase trust and the feeling of obligation between leader and member (Blau, P. 1964: 49). In a low-quality leader-member relationship we find that the economic exchange is the dominant element, and the relationship never surpasses what is written in the employment contract. On the other hand, we find that what governs the relationship in a high-quality leader-member relationship is the social exchange, and the relationship is not constrained by the employment contract (Sparrowe, R. and Liden, R. 1997: 523).

One of the main principles of LMX theory is the principle of reciprocity where both leader and member exchange benefits and resources and give help to each other. When reciprocated the leader gets loyalty from members and members can get attention, money, and support (Wilson, K. et al., 2010: 358). In a high-quality leader-member relationship, they reciprocate but they don't expect an immediate benefit or reciprocity. They are motivated to help and benefit each other without necessarily getting an immediate benefit (Sparrowe, R. and Liden, R. 1997: 524). One key component that distinguishes LMX is that the leader deals with members that are close to them differently. In other words, they tend to differentiate and that is because members are not the same and some of them are more skilled and have more loyalty than others. It is worth noting that having different quality relationships is not a bad thing. In fact, those who have close relationships with their leaders can be more motivated and have high performance than those who do not have quality relationships with their leaders (Liden, R. and Graen, G. 1980: 451).

(2) In Group and Out Group

In LMX theory there are three phases where the relationship between the leaders and the follower goes through. It is called the Leadership Making Model and it consists of three phases. First phase, which is also called the “strangers’ phase” usually happens at the beginning, is

characterized by low-quality relationships and where the exchange between the leaders and the members is limited. Second phase, the “acquaintance phase” is where the leader and member move from being strangers to acquaintances and where their relationship can have more quality than the first phase. This change in the relationship is due to the favors and services the leader and member do for each other. Third phase, known as “mature partnership,” is when the relationship reaches maturity, and the quality of their relationship is high. Before reaching this level, leaders will test their subordinates to see if they deserve to be close to them or not. This makes sense because leaders will spend a lot of time and attention on the people that they chose to be close to them. And to avoid wasting time and effort, they test their followers by giving them additional tasks and responsibilities. (Graen, G. and Uhl-Bien, M. 1995: 230). Leaders and followers need time to reach a high-quality LMX relationship. It does not happen overnight and takes a lot of time for both parties to make sure that they are doing the right thing.

(3) Stages of LMX

Although a high-quality leader-member relationship has a lot of benefits for both leaders and members, it also involves a lot of work and sacrifice. Members need to prove for their leaders that they are trustworthy and that they deserve their time and attention. On the other hand, leaders need to show members that they will support them and will provide them with the necessary resources to assist them to accomplish their tasks. In the stranger’s phase, the two parties will act based on what is written in the contract that both parties have signed. There will not be any sign of high-quality relationship between the leaders and members. On the second stage the two parties will try to move to the acquaintance phase where they will show more readiness in taking the relationship farther. In this phase the leaders especially will try to make a few tests to ensure that they are taking the right step in deepening the relationship with the chosen members. They might test their loyalty, trustworthiness, or transparency. On the other hand, members will make sure that leaders are willing to give their attention and provide them with what they need to do their jobs. When members see that their leaders are willing to deepen the relationship and take to the next level they will reciprocate and do the same thing. When looking at these three stages carefully one can find that time and compatibility are the main elements. The reason why is because moving through the three stages takes time. This is also true for any relationship and not only limited to the LMX relationships. Also, compatibility between leaders and members is also important because this will mean that they will like and trust each other.

(4) Conditions for Building High-Quality LMX

There are some personality traits that lead to the enhancement of LMX. Employees who try to be efficient and effective in their job have a higher chance in developing a high-quality leader-member relationship. (Erdogan, B. and Bauer, T. 2014: 3). In addition to that, Proactive employees who always try to take the initiative to improve their environment and be productive without giving explicit directions from their supervisors have shown to have higher chances of developing a high quality LMX. Another factor that may predict whether the relationship may have a chance to be a high quality LMX relationship is regarding the behavior of employees. Leaders who perceive their employees as hard-working and as an active employee can consider making a high quality LMX with them (Maslyn, J. M., and Uhl-Bien, M.2001: 704).

Another factor that may predict LMX quality comes from Implicit Leadership Theory (ILT) research. The theory states that leaders have implicit ideas about the ideal employee, and they have implicit theories about how employees should perform their job and how they should behave in the work environment. On the other hand, employees also have their own implicit ideas about the ideal supervisor. If the leader and the member have similar implicit performance theories, this can increase LMX quality (Engle, E. and Lord, R. 1997: 988).

(5) Benefits of LMX

There are so many tangible and intangible benefits for members that they can get from high quality LMX relationships. First, members who have high quality LMX relationships with their leaders can enjoy the leader's attention which is considered one of the most important things that members can get from high quality LMX relationships (Dansereau J. et al., 1975: 53). In addition to that, members can get more learning and growth opportunities than their peers in low quality LMX relationships. This has a positive effect on the members in high quality LMX and it can increase their productivity and efficiency in the work environment. They get these learning opportunities because managers trust them, and they choose them for selective tasks and projects that require developing new skills. (Law, K. et al., 2000: 756). As a result, we find members in high quality LMX relationships have greater motivation to learn and improve. This is because of the continued help and encouragement they get from their superiors. The opportunity to learn and grow seems to be one of the most important benefits for LMX members (Erdogan, B. and Bauer, T. N. 2014: 6).

(6) Reciprocity Dynamics in SET and LMX

The Social Exchange Theory (SET) is the main foundation for the LMX theory. SET was developed to examine and analyze the human behavior and the dynamic of relationships. SET suggest that the relationship between humans is governed by reciprocity. For example, in organizations employees are giving gifts from leaders regardless of their performance. The act of

giving gifts to employees is usually effective and leads to the enhancement of employees' performance. It is well researched in the SET, and it is called the principle of the gift economy. When employees feel that their leaders and supervisors are treating them well, they feel the obligation to return the act of kindness and they start to show more enthusiasm and passion at their job. Leaders who provide their employees with innovation-related resources can increase the chances of enhancing their employees' creative abilities. This is because employees will start to look at the organization as a fair and trustworthy organization. This is very important because safety and security are very important for any creative and innovative activity (Kheng, Y. K. et al., 2013: 48).

The idea of using the concept of reciprocity to enhance relationships and performance has started in the SET research but has extended to the LMX theory research later. When employees are treated with fairness, respect, and transparency by their superiors, they feel obliged to return the favor. They do that through showing more passion and energy in their job. In addition to that, any creative and innovative activity and tasks need different resources to be accomplished. When leaders voluntarily provide employees with the resources that are needed for innovation, they will appreciate the leadership and view it as an honest and respectful organization that deserve their full attention and effort. Their innovative and overall organizational performance will improve, and the organization will be more efficient. SET provide an excellent explanation for researchers to understand the roots of LMX theory.

Although, LMX was created to be applied in the organizational setting, the concept of reciprocity is broader and can be applied to the human relationships in general. It can be seen in the relationship between parents and their kids, teachers and their students and employees and supervisors. It is a simple concept that many leaders and supervisors do not pay attention to and ignore although it can make a huge difference. When gift economy or the act of giving gift to employees on a regular basis is the norm in the organization, leaders will see an enhancement in the organizational performance. This is because employees will feel safer and more secure, and safety and security are very important elements when one wants to engage in a creativity or innovation endeavor.

(7) Distinguishable Features of LMX

LMX is defined as a theory of leadership that is characterized by a dyadic dynamic between employees and their superiors. Some leadership theories assume that leaders project the same behavior towards all the employees without any exceptions. In the LMX theory it is assumed that leaders differentiate among their followers, and deal with some employees in a different way than others. In LMX theory members can be divided into two groups. The first group is called (out-

group members) where employees have a more formal relationship with their leaders and usually perform mundane and less important tasks. The second group is called (in-group members) and here the employees enjoy special attention from their supervisors and have a strong and close relationship with them. They get more support and attention and usually take on the more important tasks that are critical to the success of the department. It is important to note that the in-group members are selected based on their loyalty, skills, and work performance (Liden, R. C. and Graen, G. 1980: 452).

Mutual respect, loyalty and job satisfaction are some of the benefits that can result from a high quality LMX. The relationship surpasses the usual contractual nature that usually governs the relationship between leaders and members. It becomes closer to a relationship between close friends, not work acquaintances. This leads to the enhancement of confidence, skills, and overall job performance. In addition to that, a high quality LMX relationship between leaders and members can lead to the enhancement of creative and innovative abilities of employees (Yeoh, K. K., and Mahmood, R. (2013: 18). This is because the in-group members enjoy a lot of benefits that out-group members do not have. The in-group members or employees who have good and close relationships with their superiors, can get the necessary support, resources, and attention to engage in innovative activities (Yuan, F., and Woodman, R. W. 2010: 328). Also, because of the good relationship that they enjoy with their supervisors, they are more likely to be involved in risky tasks and have more confidence and courage to face the consequences.

(8) LMX and Organizational Innovation

Starting an innovation project is not an easy endeavor. It takes a lot of time, resources, and courage to be successful in innovation projects. Because of the many challenges that innovation presents, members who enjoy the privilege of being close to their superiors are more likely to succeed. They get the attention and the help they need to assist them during their work on innovative projects. As we have mentioned before, the relationship between leaders and members evolves over time from low-quality LMX relationship to a high-quality relationship. When it evolves the probability of employees to be more confident to participate in innovative work increases which indicates a positive relationship between LMX and innovation (Stoffers, J. M. M., et al., 2009: 5). However, it is important to know that some studies have found no significant relationship between innovation and LMX (Taştan, S. B., and Davoudi, S. M. M. 2015: 30). Therefore, it is important to study the relationship between LMX and innovation from different perspectives to understand it better.

IV Innovation

Before Guilford's speech in his APA Presidential Address in 1950, the topic of creativity was a neglected subject. He urged scientists to pay more attention to the topic of creativity because of its importance for both individuals and societies. Creativity is defined as the ability to produce work that is both novel and appropriate (Sternberg, 1999: 3). Being novel means original or unexpected and being appropriate means useful and relative to work tasks. Since change is the only thing that does not change, creativity is a vital weapon and indispensable asset that organizations can use to thrive, succeed, and survive. What distinguishes innovation from creativity is that innovation requires an actual application of the new ideas. On the other hand, creative process is defined by many scholars as the process of coming up with new and useful ideas, but not necessarily applying them in the real world (Kathrin et al, 2011: 956). Innovation comes when creativity has been established, and that is why it is important to develop creativity skills and establish a proper environment for it before working on innovation (Almaloy Y. 2021 and Almaloy Y. 2023).

Kantar defines innovation as a process of bringing any new idea or problem-solving idea into use. Ideas for reorganizing, cutting cost, putting new budgetary systems, improving communication, or assembling products in teams are also innovations. Innovation is the generation, acceptance and implementation of new ideas, processes, products, or services. Acceptance and implementation are central to this definition; it involves the capacity to change and adapt (Hall & Williams, 2008: 5).

(1) Definition and Types

Another definition comes from Schumpeter where he describes innovation as the inventing of new knowledge or technology or the combination of new knowledge with existing knowledge to create something new out of them. His main interest or focus was on big and radical innovation rather than incremental innovation. Looking through Schumpeter's description of innovation, innovation can be divided into the following types. First, the creation of new products or services (product and service innovation). Second, new production processes (process innovation). Third, new markets, which can also be referred to as (market innovation). Fourth, new suppliers, which involves new logistics and assistances (input innovation). Fifth, changed organization or management systems (organizational innovation). From the description above, products, process, organizational/managerial and market innovations constitute the main body of innovation categories (Weiermair K. 2006: 60).

In addition to that, we can also find many theories and models of innovation by different researchers. For example, Porter says that innovation can be used with and for competitive capabilities to leverage strength and build a more stable and stronger environment that will help to achieve the best results (Porter, 2011: 6). Tushman also says that to be a successful,

organizations need to focus on producing incrementally and revolutionary innovative products and services (Tushman et al., 1996: 24).

Clayton Christensen who coined the term (Disruptive innovation) in 1955 define it as “a process whereby a smaller company with fewer resources is able to successfully challenge established incumbent businesses”. Research has shown that Disruptive Innovation methods are effective in helping SMEs to achieve their goals (Christensen et al., 2015: 3). Disruptive innovation can be very useful for the tourism industry. For example, Airbnb, which is one of the biggest names in the tourism industry, created by using disruptive innovation methods. Disruptive innovation focus on products and services that are not popular and do not attract the attention of the mainstream customers but provide an alternative benefit for other customers can overtime turn the table and become the dominant player in the market (Guttentag D. 2013: 4). In the case of Airbnb, a new market is created through connecting consumers and customers with each other using electronic platform.

Tourism industry is a vital element for economies and helps to create new jobs and bring foreign currency to the country. Development in the tourism field require more than economic performance enhancement efforts. It needs to provide new and innovative products and services for tourists to attract them and for the industry to remain competitive. Tourism industry needs innovation because the nature of today’s global market is characterized by rapid changes and transformations. To remain strong in highly competitive markets, tourism organizations need to constantly provide new solutions to the challenges they face and new products for their customers. Another reason that makes innovation important for tourism organizations is because of the strong market growth and the many services and products are entering the market which makes the lifespan of products and services shorter. This places a huge responsibility for tourism organizations to innovate, because if they want to stay in the market, they need to provide new products and services for their customers (Alsos et al., 2014: 1).

(2) Creativity and Innovation

The terms creativity and innovation are usually used interchangeably in the literature (Scott, S. and Bruce, R. 1994:581). Creativity is the base foundation of innovation and without creativity, innovation is impossible. That is because creativity is the act of producing novel and useful ideas (Sternberg, 1999: 3; Mumford, M. and Gustafson, S. 1988: 28). Innovation is the application of creative ideas into reality (Van de Ven, A. H. 1986: 5; Kanter, R. M. 1988: 94; Amabile, T. M. 1988: 126). Some researchers define creativity as doing something for the first time anywhere or creating new knowledge (Woodman, R. et al., 1993: 293). Individual creativity and organizational innovation are connected to each other, and without Individual creativity innovation can be hard to realize. Although individual creativity plays an important role in organizational innovation, it

is not enough by itself (Amabile, T. M. 1988: 125). Creativity can be defined from different angles, but most researchers adopt the definition of creativity that focuses on the product or service which is characterized by novelty and usefulness (Stein, M. 2014: 6). The definition of creativity that is going to be used in this research is that of Amabile in which she says: creativity is the production of novel and useful ideas by an individual or small group of individuals working together (Amabile, T. M. 1988: 126).

Kanter describes innovation is a complex phenomenon and it can be characterized with uncertainty, fragility, political and imperialism (extending to other areas and territories). Therefore, for innovation to flourish the environment must be fixable, react quickly, and has a thorough and intensive care, a coalition formation and connectivity. He divides the innovation process into four stages. First, idea generation which is mainly led by creative individuals. Second, the gathering of resources and materials that are necessary to work on the innovative ideas that have been produced in the first stage. Third, the idea realization stage where ideas are turned into real products or services. Fourth, is the commercialization and the adoption of the idea and the product and/or services (Kanter, R. M. 1988: 95-96).

Innovation can also include the utilization or the adaptation of different products or services that come from outside the organization (Scott, S. and Bruce, R. 1994: 581). Innovation also can be defined as the intentional introduction and application within a role, group or organization of ideas, processes, products or procedures, new to the relevant unit of adoption, designed to significantly benefit role performance, the group, the organization or the wider society (West and Farr, 1989: 16). Another definition of innovation is the embodiment, combination, or synthesis of knowledge in original, relevant, valued new products, processes, or services (Luecke, R. 2003: 2). Innovative work behavior can be divided into three stages: idea generation, coalition building, and implementation (Scott, S., & Bruce, R. 1994: 582). Climate plays an important element in the organizational innovation process. It can support and enhance organizational innovation level, or it can cripple innovation and hinder it (Siegel, S. and Kaemmerer, W. 1978: 554). Flexible environment and performance-reward dependency are factors that increase innovative climate level. Another factor that supports innovation in organization is the aiming and focusing on creativity and innovation (Siegel, S. and Kaemmerer, W. 1978: 554).

(3) SMEs and Innovation

The focus of the classical innovation literature was on manufacturing industries and patent numbers. However, with the software boom that happened in the 1980s, immaterial products and service industries were included too. The research on tourism SMEs and innovation is scarce, and the relationship between the two components have not been explored thoroughly. Innovation has not been investigated properly and many studies have been using the innovation on anything new,

without a deeper understanding of the nature of innovation and its characteristics. Some researchers divide innovation divided it into five categories. First, product or service innovation which refers to the changes that the maker of the product or the provider of the service make and recognized by the customers as new. Second, process innovation which refers to the steps that organizations take to improve their overall performance, efficiency, and productivity. Third, managerial innovation which is related to the initiatives that organizations take to improve and organize their internal processes. It aims to empower the staff by encouraging them to excel at their job and that by providing them with pay and benefits. Fourth, management innovation which can refer to innovations that are concerned with the relationship between the customer, provider, and the product. Fifth, institutional innovations which refers to the innovation activities that are related to the structure or the legal framework of the organization. It aims to improve and enhance the efficiency and productivity of organizations (Hjalager, A. M. 2010: 1-3).

Organizational learning is one of the main components in any innovative adventure. It drives innovation and strengthen creative abilities for organizations. And since there is a relationship between organizational learning and Entrepreneurial Orientation (EO) some research suggests that organizational learning improves innovation skills when combined with EO (Wang et al., 2015:72). Organizational learning includes some activities such as knowledge acquisition and information sharing. In some firms, innovation relies on organizational learning that is fuels by EO. The reason why organizational learning and innovation has a strong relationship is because innovation starts with organizational learning. In other words, organizational learning is the starting point of innovation, and it also advances EO activities.

(4) SMEs and Large Enterprises

It is important to note that when it comes to innovation SMEs differ than large firms in terms of financial abilities and human resources. Because of that they tend to avert from relying on expensive research and development activities that are usually are adopted by large firms and tend to rely more on human capital. Instead of that organizational learning which can be produced by human capital is one of the most important elements in creating valuable innovation process for SMEs (Wang et al., 2010: 176). Some of the characteristics that make SMEs unique and different from large firms include different leadership style, unique internal operations, organizational structure that has different types, the assists used and their reaction to their environment (Wang et al., 2015:76). In large firms most of the innovation activities can be the result of the research and development departments, in SMEs all members of the organization can play a role in the innovation process. This can be achieved by providing a robust environment that support effective organizational learning that can lead to major breakthroughs and innovative solutions for SMEs. Unlike large firms the leaders of SMEs can play a major role in affecting the learning processes

and the adaptation of them. Therefore, dealing with organizational learning in an important way and include it in the organization strategic plans can be beneficial for producing innovative solutions (Wang et al., 2010:188).

Many governments around the world are aware of the pivotal role that SMEs play in shaping the economy and providing jobs for citizens. That is why public authorities are always launching initiatives that aim to encourage and support SMEs. However, bureaucracy, rigidity and centralization in public institutions can be one of the barriers that cripple the ability of SMEs to innovate. More than 68 percent of small firms and 75 percent of medium sized firms in India see government policy as a barrier to innovation (Pachouri, A. et al 2016:13). This can be a serious issue for many organizations because of the other bad effects this problem can make. For instance, the centralization and the ambiguity in some public policy create confusion for many SMEs leaders which can cause delay for long period of time. This in turn cause financial problem in the shape of lack of monetary support from governments because many firms do not meet the requirements of public policy (Cordeiro, A. 2012:7). Not to mention that lack of financial support from public institutions can lead to other barriers that were mentioned above like recruiting skilled workers and providing the necessary tools and technology that require financial support.

V Disruptive Innovation

Disruptive Innovation is considered a guiding star by many small and medium enterprises managers. Disruptive Innovation happens when smaller firms with limited resources that are not considered the main players in the market, succeed in challenging incumbent businesses with higher performance and larger market share. The phenomena happens when incumbent businesses focus on incremental and sustaining innovation for their mainstream customers that are considered their most demanding and, in most cases, their most profitable customers. On the other hand, new entrants to the market focus on disruptively innovate new technologies, products and services that serve the overlooked customers by incumbent businesses. These disruptively invented technologies are usually cheaper and more convenient than other products. Established firms that control the market usually do not pay attention to those newcomers and continue to please their mainstream customers by focusing on incremental innovation and continues improvement. Using the power of their disruptively innovative technologies, the new entrants continue to go upmarket until they deliver the performance that the mainstream customers require. The disruption in the market happens when the mainstream customers start to use the disruptively innovative technologies, products, or services of the new entrants instead of the traditional products of incumbent businesses (Christensen et al., 2013: 3). A prominent example of Disruptive Innovation is the rise of Airbnb and the disruption it has made in the tourism industry.

The disruption was so strong that the tourism industry has been affected and many incumbent strong businesses have lost the battle against Airbnb and could not face the power of its Disruptive Innovation methods. This proved that Disruptive Innovation theory is effective, and it has the power to change markets forever.

Disruptive Innovation that targets products and services that are not favored by the mainstream customers but offer alternative benefits can over time change the market (Guttentag, D. 2013: 1193). Most SMEs use incremental innovation as the main method of innovation in their corporate strategy. The problem with this kind of innovation is that it does not provide radical changes to the products and services that SMEs are making for the market. This gives the opportunity for other firms to disrupt the market with new and radical technologies and turn the table on their competitors. Disruptive Innovation requires more than just a sustaining and simple improvements known as (Kaizen) that most SMEs do these days. Failing to do so might allow new entrants into the market to disruptively invent new technologies that will threaten the existence of many SMEs and make them in danger of losing their market share or even worse make them face the danger of bankruptcy.

VI Small and Medium Enterprises (SMEs)

SMEs is very important element that keeps the economy of countries stable and strong. In some countries SMEs play a significant role in the economy. For instance, in Italy, Japan and France, the number of SMEs accounted for 99% of the total number of enterprises. In the United States there were more than 2000 million SMEs, accounting for 98% of total number of enterprises although America was famous for its large enterprises but that has changed in recent years (Ebru Beyza, et al, 2014: 202). Also, in China which is the biggest economy in the world the number of SMEs is about 42 million which contributes more than 60% of the nation's GDP, 50% of tax revenues, 70% of import and export trade, and 80% of urban employment (Zhu, et al, 2012: 1133).

One of the most controversial aspects in the study of SMEs is its definition and how every country, ministry and authority has different definitions for SMEs. Using different words and terminology to describe the same thing may create confusion. For example, some call them small businesses, others say small and medium enterprises, and some refer to them as micro, small, and medium enterprises. It is important to know that big organizations like the European Union and international organizations as the World Bank, United Nations and World Trade Organization suggest that companies that have different qualities, features, and categories than big companies should be called Small and Medium Enterprises or SMEs for abbreviation (Berisha, G., et al. 2015: 18).

(1) Definition of SMEs

When one looks at the name of small and medium enterprises, one can see that the name comprises of adjectives based on quantity, hence “small” and “medium”. Therefore, it is fair to say that one of the most common ways to define SMEs is the number of employees. However, international organizations use official guides with determined criteria to define SMEs. The criteria that European Commission use to define SMEs are as follows: Number of employees, annual turnover, and annual balance sheet. The World Bank uses different criteria to define SMEs. The criteria are number of employees, total assets in U.S. dollars and annual sales in U.S. dollars (Berisha, G., et al., 2015: 19).

As mentioned above, most countries adopt its own definition and set its own criterion regarding SMEs. In Malaysia, there are two conditions that need to be met for any firm to be considered SME. One, number of employees and/or the annual sales turnover of the firm. However, this does not apply for all sectors and major fields in the economy like manufacturing and agriculture. For instance, in the service enterprises world a small and medium enterprise is an enterprise that has fifty full-time employees or annual sales less than five million Ringgits (Malaysian currency). It’s worth noting that in Malaysia they also have general definition for all SMEs in all sectors and have a specific definition for each sector like service and agriculture (Malaysia, B. 2005: 5). For International organizations like the World Bank, The United Nations Industrial Development Organization and Asian Development Bank definition of SMEs is based on the following conditions. One, small firms must not exceed the limit of employment which is fifty employees. Two, medium firms can employee between fifty to one hundred and ninety-nine employees. Three, large firms have more than two hundred personnel (Anggadwita et al., 2014: 417). Having a universal and accepted definition is important for research data to make comparisons. Also, it can be beneficial when using statistical information to major the impact of certain strategies taken by governments, consultant firms and leaders in the field (Berisha, G., et al., 2015: 26).

Although most research on openness and innovation concentrate on large firms, SMEs also can benefit a lot from it, and that is because the relationship between openness and innovation is strong. Openness can help to make innovation activities easier and smother. It stimulates creativity, reduces risks in innovation process and enhance innovation products and services (Vahter, P. et al., 2014: 7). Open innovation in SMEs is different than large firms. One, small firms are less open than large firms when it comes to the number of external linkages. Two, the extent or the breadth of open innovation in small firms and large firms is different. Three, the additional linkage that small firms get is bigger than large firms. Four, different from large firms

and due to the lack of strong and stable assets, small firms cannot continue for so long in the open innovation process (Vahter, P. et al., 2014: 18).

There are a few factors that hinder open innovation in SMEs. One, because of the lack of external resources and technological assists, small firms are less able to rely on open innovation as their counterparts, large firms. Two, although SMEs use external links and resources for open innovation, it is limited on their strategic allies which in turn limits their ability to expand and have more external resources that will help them in their open innovation tasks (Lee et al. 2010: 290). It is worth noting that open innovation can be one of the tools that SMEs can use in their strategy plans. And although there might be some obstacles that can stop them from proceeding forward, the benefits of open innovation outweigh the negatives.

(2) Factors Influencing Innovation in SMEs

For many companies' innovation is considered one of the most competitive advantage factors (Dadfar et al.,2013: 202). And the reason why is because of the highly competitive nature of today's market, which force companies to constantly strive to innovate to stay ahead of the completion. The following factors can determine the ability of SMEs to innovate. One, Financial Factor (FF), which referee to the financial situation of the company and its ability to provide the necessary monetary assets to support innovation processes. Two, Firm Size (FS), and that is true because large companies have more financial sources and more knowledge and skilled employees. All these factors can affect the innovation cycle in any company. Third, Technological Capability (TC), the more experienced a company in the technological realm, the more innovative products will be produced. Fourth, Consumer Preferences (CP), and this factor is very important for SMEs. Unlike big companies, small firms could be close to its customers which give them a huge advantage in listening to them and use their ideas to create products and services that meet their needs. Fifth, Economic Factor (EF), and as mentioned above companies need the necessary financial recourses to fund their innovation operations. And when the economic situation is not good that may affect financial situations of companies negatively, Sixth, Culture Factor (CF) and this is a vital element in innovation because having a culture that encourages innovation through tolerating mistakes, encourage learning and self-development is very important (Beyza, et al., 2014: 204).

In addition to that, factors like strategy-driven characteristics such as market orientation and learning has shown that it can increase the level of innovation in SMEs. The characteristics that are related to competition, especially the ones that have direct connection to industry concentration and barriers to entry are also shown to increase innovation capabilities in SMEs. When it comes to the orientation of strategic planning, SMEs are different than big firms. For instance, closeness to customers, learning and flexibility are considered as advantageous for

SMEs (Salavou, H. et al., 2004: 1). This can be used to increase the innovation process by taking advantage of the closeness to customer's factor and listen more to them. This will allow leaders in SMEs to know the perspective of their customers and what they really think and feel about the products or the services they provide. Also, it will provide them with a tremendous number of new ideas from loyal customers to improve their products and services.

(3) Employee's Motivation and Creativity in SMEs

It is important to know that when certain conditions are met innovation can be possible for SMEs. Generating ideas and rewarding employees for coming up with new approaches to solve problems can accelerate the innovation process. Moreover, searching and hiring creative personnel can be one of the best ways to enhance innovation and that because of their creative thinking abilities that help them to be more innovative. The ability to judge and evaluate innovative ideas and select the ones that best serve the market and meet customers' needs. Having an effective team member and the ability to manage innovation projects which usually involve risk, ambiguity and stress is very important. Universities, governmental institutions and NPOs can be a good source for consultation about innovation activities in SMEs. The ability to motivate workers and to encourage them to innovate and to take risks is another important element in innovation activities (Lesakova, L. 2009: 28). Finally, Employee satisfaction can lead to a lot of things that can support innovation. Because highly satisfied employees exhibit high level of customer loyalty, productivity, employee retention, safety records and profitability. All these factors can play an important role in increasing innovativeness in SMEs (Gallego et al. 2013: 9).

(4) Barriers to Innovation in SMEs

There are a few obstacles that can hinder the innovation process at SMEs. First, competition fairness, many SMEs managers feel that the competition against large firms is not fair because they tend to monopolize the market and because they more access to financial support from governments. Second, limited access to financial support that affect so many SMEs because bank creditors are reluctant to give them loans because of the ambiguity that surrounds their financial situation. For example, SMEs in China add more than 60% of GDP, but they get less than 25% of bank credit. Third, lack of and/or unclear regulations where different governmental and legislative authorities have different rules regarding patent requirements and rights. This creates confusion and it prevents SMEs from advancing in their innovation activities. Fourth, excessive taxation which can be a real problem because it stifles the necessary financial resources needed for innovation. Fifth, insufficient support system that can affect SMEs negatively. Every company has its own need and if governments do not support SMEs, it is more likely that they will not survive in today's market let alone be able to innovate (Zhu, et al, 2012: 1135-1139).

Barriers to innovation can lead to the suffering of many SMEs which can lead to bankruptcy in some cases. In Slovakia, the following barriers were found to be the main challenge that face SMEs in their way to innovate. A) The limited financial support from the government and public institutions cripples their ability to innovate. B) The lack of awareness of the importance of innovation among the employees, and the lack of training for innovation skills and problem-solving abilities. C) Specialized consulting services for support of innovations, and the weak infrastructure that supports innovation. D) The lack of communication with universities and consultation firms creates a gap that cannot be filled with just relying on the abilities and experience of local employees (Lesakova, L. 2009: 27).

Innovation barriers come in so many shapes and forms, but they can be summarized as follows. One, the economic situation in the country and the purchasing power parity of the country. Two, the lack of proper financial support and monetary aid from public sectors. Third, the aversion from taking risks and the absence of risk-taking culture in many firms. Forth, the mechanical and technological performance which is characterized by inefficiency and ineffectuality. Fifth, the routine in procedures and processes that many small firms follow. Sixth, the resistance to change and the fear from dealing with unexpected outcomes that might come when initiating an innovation activity. Seventh, the absence of rewards for innovation and the lack of financial and personal incentives for employees. Eighth, the expensive price of so many tools and technology that can be used in innovation. Ninth, the size of the company also might play a negative role in innovation. Tenth, low leadership skills can lead to inefficiency in implementing innovation (Cordeiro, A. 2012: 7).

(5) SMEs and LMX: The Factors that Govern Human Relationships in SMEs

Since I explained the characteristics of LMX and SMEs in the above sections, I would like now to explain in detail the two components. I said before that LMX theory is the principle of reciprocity where both leader and member exchange benefits and resources and give help to each other. When reciprocated the leader gets loyalty from members and members can get attention, money, and support (Wilson, K. et al., 2010: 358). As we can see that high-quality LMX requires a lot of investment from both leaders and followers in order to gain the benefits. Nicolescu, O. (2009), investigated more than 60 SMEs and to reveal the major variables having influence on SMEs organization and the main features of organization system. The researcher found that human relations are different from one company to another. The reason behind this difference is due to number of employees, family-owned companies, and nature of work (Nicolescu, O. 2009: 408).

All these factors have a great impact on the way human relationships are managed in SMEs. For example, the number of employees is different at each SMEs, and since LMX requires a lot

of investment in time and resources, leaders will not be able to do that for everyone even if the number of people is small. Also, there are a lot of SMEs that are family-owned which makes the dynamics very different. The relationship of LMX is developed through work environment and it is different than family bonds. It is different because family members can do service for each other because they are responsible for them. However, in LMX relationships both leaders and members reciprocate and help each other and expect benefit or reciprocity because of that. They are motivated to help and benefit each other and expect benefit from that exchange (Sparrowe, R. and Liden, R. 1997: 524). It is totally different dynamics, and, in this paper, I will focus on LMX relationships between leaders and followers. Third, nature of work is another important factor that affect the human relationships at SMEs. Some companies apply the policy of working from home to reduce costs. Other companies have only a few stores where the physical interaction between leaders and members is limited. This is because the stores and headquarters of companies can be in two different location that make meetings difficult between leaders and followers.

(6) Number of Employees and LMX

The number of employees at SMEs is limited, but this does not guarantee a high-quality LMX relationships between leaders and followers. One, because high-quality LMX relationships require employees to be efficient and effective in their job to have a higher chance in developing a high-quality leader-member relationship. (Erdogan, B. and Bauer, T. 2014: 3). Even if the number of employees is limited in SMEs, this does not mean that all employees will be efficient and effective in their job. This is because each employee is different, and some employees will have more skills and higher motivation than others. Two, leaders will depend on Implicit Leadership Theory (ILT) method. The theory states that leaders have implicit ideas about the ideal employee. After finding the ideal employee, leaders will be willing to invest more time and resources in their ideal employees. As result of that investment, they will also expect employees to reciprocate and benefit leaders and their companies (Engle, E. and Lord, R. 1997: 988). Finally, all these elements and factors make the human relationships in SMEs very diverse and different from each other. This diversity makes it difficult for leaders to develop high-quality LMX relationships with every employee.

Figure 8: The Dynamics between SMEs and LMX

Reasons of Why The Small Number of Employees Does Not Guarantee High-Quality LMX In SMEs		
The number of employees, family-owned companies, and the nature of work	High-quality LMX requires a lot of investment in time and resources from both leaders and members. Therefore, it is difficult to have it with everyone in the company.	leaders will depend on ILT to find their ideal employee to build high-quality LMX. Those employees usually have a set of skills and are very motivated than their employees.

Source: Made by the author

(7) Conclusion

SMEs are invaluable source for countries and economies around the globe. SMEs are a great source for employment, and they possess the power to play a very active role in the economy and can either support economic development or hinders it if not giving the necessary support needed from public sectors. As shown above, innovation is a powerful tool that can be utilized in today's global market that is characterized by constant change and developments. That is because the only thing that does not change is change itself, and organizations that fail to adapt quickly and invent new ways and tools to overcome challenges may disappear from the market altogether. Human capital, proper financial support from governments and robust environments that support and encourage risk-taking, and innovation are necessary perquisites for innovation. On the other hand, ambiguous public policy, lack of monetary aid and unskilled workers might impair any innovation activity. All in all, growth in SMEs can lead to economic and social prosperity and innovation has the ability to pave the way for SMEs to thrive and prosper in any market.

VII Fourth Industrial Revolution (4IR)

We live in the age of the fourth industrial revolution (4IR), and many tourism companies are already using what is called "e-tourism" services such as paying through applications. In the age

of industry 4.0, both travel agencies and their customers are using e-tourism services and technologies, which can be very useful for both parties. However, it can also have some problems like hacking of wallet attacks that only can be faced and resolved using the technology of 4IR such as block chain. This can enable trust and respect between different stakeholders including travel agencies and customers and lead to a more robust environment and active economy (Bodkhe et al., 2019). In the 4IR age many travel agencies are already utilizing the technology of the 4IR to serve their clients. Therefore, it makes perfect sense to include it in this research since it has an immediate impact on travel agencies (Almaloy Y. 2021 and Almaloy Y 2023).

(1) Industrial Revolutions

Klaus Schwab is the one who coined the term The Fourth Industrial Revolution. Klaus Schwab is the founder and executive chairman of the World Economic Forum (WEF).¹¹ The term refers to the new technologies that people use to increase the efficiency of our everyday life. Also, it provides a unique feature where people can move from virtual reality into reality and stay connected with other people from all around the globe. The steam engine was invented in 1760 and it was the beginning of what researchers call the First Industrial Revolution.¹² The steam engine was especially helpful for farming industry because it enabled farmers to move their products from their farms to the local and international markets. Trains were the main tool that people used at that time to move products. Other industries that had flourished at that time were steel industry and textile industry. When oil and electricity were used as the main source of power in 1900 the Second Industrial Revolution started. Mass production and rapid industrialization were some of the characteristics of the Second Industrial Revolution. In 1960 the Third Industrial Revolution started when the use of electronics and information technology was incorporated within companies all over the world. This has made the sharing of information much easier between organizations and customers and it played a huge role in the development of the products that are used in the IT departments. In the Fourth Industrial Revolution in which we live now, a lot of revolutionary technologies have been invented.¹³ For instance, three-dimensional

¹¹ The World Economic Forum (WEF) is a global political and economic institution that is based in Davos, Switzerland. The annual meeting of WEF attracts the most powerful political and economic leaders in the world. The organization has a great influence on the global markets and plays a pivotal role in the world trading market (Graz. J. C. 2003: 321).

¹² Industrial Revolution refers to the shift in economy structure or the advancement in manufacturing industry and the shift from agriculturally based economy to mining based economy. The First Industrial Revolution started in the late eighteenth century and ended in the nineteenth century. Major developments took place in the textile, steam power and iron making fields (Agarwal, H. and Agarwal, R. 2017: 1062).

¹³ The major technological companies in the world such as Deloitte, Gartner, IBM, IDC, IEEE, and Red Hat are leading the technological revolution in The Fourth Industrial Revolution. Technologies such as IoT, Big data, Cloud, 3D Printing, Healthcare, Mobile Devices, Smart Machines, 3rd Platform, Block Chain and Security technologies are considered the core technological means of the future (Chung. M., and Kim, J. 2016: 1312).

printing (3D), big data analysis, Internet of Things and super computers have all changed our lives and the way organizations work (Xu, M., et al., 2018: 90).

(2) The Characteristics of Fourth Industrial Revolution (4IR)

The Fourth Industrial Revolution has brought with it a lot of amazing technologies that are used in many industries. For example, a lot of industries are using robots instead of humans to make different products including cars, airplanes parts, engines, furniture, and computers. These new technologies have increased both the efficiency and productivity of factories and organizations. In addition to that, the inventions, and technologies of the Fourth Industrial Revolution have also changed the way we work in organizations. Many companies now are either depending on artificial intelligence or robots to do the mundane tasks to reduce cost. Also, a lot of companies are asking their employees to work from home to reduce the cost of renting a building and pay for the electricity bills. These changes are affecting all organizations with almost no exception.

However, there are some advantages that we can get from these new technologies. For instance, the barriers that were causing problems for inventors and markets will be reduced thanks to some of new technologies such as 3D printing. Also, artificial intelligence industry is moving rapidly and the new inventions in this field are more than ever before. Artificial intelligence systems have the power to solve complex problems which will open up a lot of economic opportunities. On the other hand, the Fourth Industrial Revolution technologies are also creating a lot of challenges to organizations and leaders around the world, and they need to overcome these challenges. For example, the replacement of humans with robots will create a lot of employment challenges for many countries. Unfortunately, the replacement of workers with robots is one of the characteristics of the Fourth Industrial Revolution. However, people who can create new and innovative ideas, products and services will be consider a valuable resource. Another big challenge is cybersecurity and the threat that comes with hacking issues that can affect banks and organizations in a bad way. The personal information of customers is stored in the files of the organizations and banks. If these systems get hacked, the threat of the information being stolen is great (Xu, M., et al., 2018: 93).

(3) Challenges and Opportunities

The Fourth Industrial Revolution is bringing with it a lot of challenges and opportunities. Organizations in general and leaders need to encourage employees and provide them with necessary resources to overcome the challenges and take advantage of the positive things that the technology of the fourth industrial revolution can create. Finally, in this paper the Fourth Industrial Revolution is considered as a main element that affects not only tourism industry and

SMEs, but life in general. Investigating its effect on tourism SMEs and the relationship it has with LMX and disruptive innovation is important (Almaloy Y. 2021 and Almaloy Y 2023).

VIII Previous Studies

In this section, I will discuss the previous studies and the uniqueness of this research. The studies will be presented oldest to newest. In each study I will provide an introduction, methodology, the results of the study and the recommended future research. Ten studies that are similar to the present study will be analyzed and summarized. After discussing the studies, a table will be made to present the most important information of each paper. The similarities and differences of the studies will be explored, and the focus of each study will be presented. Finally, the uniqueness of this research in comparison with the previous studies will be discussed.

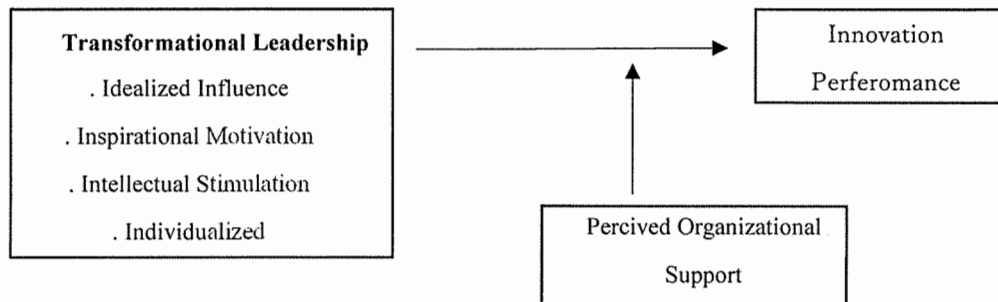
The first study is done by (Tajasom, A. et al., 2015: 172-188) and it explores the relationship between Transformational Leadership and Innovation Performance in Malaysian SMEs. Perceived Organizational Support is investigated as moderator between the relationship between Transformational Leadership and Innovation Performance. Transformational Leadership has four main characteristics that include idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. A survey was used in the study to collect the data from Malaysian SMEs. According to the result of the study, idealized influence, intellectual stimulation, and individualized consideration have a positive impact on Innovation Performance. Moreover, Perceived Organizational Support moderates the relationship between Transformational Leadership and Innovation Performance in Malaysian SMEs in terms of idealized influence and inspirational motivation. This study proposes that Transformational Leadership is related to Innovation Performance and Perceived Organizational Support moderates the relationship between them.

To collect the data the researchers used a questionnaire that has been sent to the Malaysian SMEs in the electrical and electronics industry. The analysis focused on the leaders and managers of electrical and electronics SMEs in Penang State in Malaysia. 500 SMEs were included in the analysis. Out of 500 individuals contacted, 257 responses were collected with a response rate of 51%. There were four sections in the questionnaire that include Transformational Leadership, Innovation Performance, Perceived Organizational Support, and Demographic Information. A 5-point Likert-type scale ranging from 'strongly disagree' (1) to 'strongly agree' (5) was used in the study to analyze the responses of participants.

The result of the study shows that the characteristics of Transformational Leadership that include idealized influence, intellectual stimulation, and individualized consideration has a positive effect on Innovation Performance in Malaysian SMEs in the electrical and electronics

industry. However, inspirational motivation is not included, and it does not affect Innovation Performance. Among the characteristics of Transformational Leadership, idealized influence, intellectual stimulation, and individualized consideration have the most powerful influence on Innovation Performance. The study was done in Malaysian SMEs in the electrical and electronics industry. Therefore, authors encourage future research to investigate the relationship between Transformational Leadership and Innovation Performance in other countries and industries.

Figure 9: The Conceptual Model



Source: Tajasom, A. et al., 2015: 178.

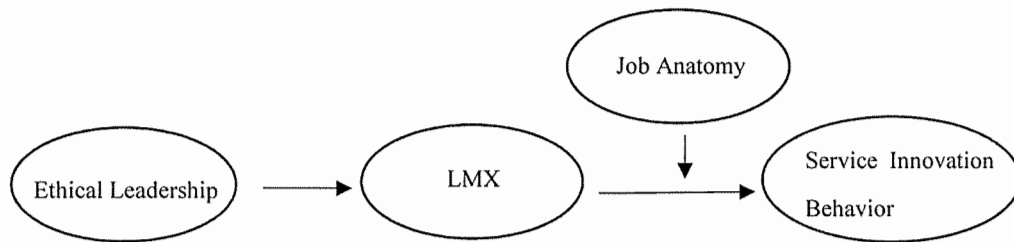
In the next study, (Dhar, R. L. 2016: 139-148) investigated the effect of ethical leadership on service innovative behavior of employees at small and medium sized tourist hotels in Uttarakhand, India. A model that analyzes the relationship between ethical leadership and employees' service innovative behavior while interacting through leader-member exchange and job autonomy has been utilized in this study. According to the results of the study ethical leadership promoted service innovative behavior of the hotel employees mediated through leader-member exchanges. In addition, the level of service innovative behavior was commensurate to the perception of employee job autonomy.

To gather the data, employees and their immediate managers were selected from 150 small and medium sized tourist hotels in Uttarakhand, India. Different questionnaires were used to collect the data from managers and employees to reduce the chances of common method bias. In the questionnaire, ethical leadership was measured on a 10-item scale, LMX with a 7-item scale, and employees' innovative behavior with a 6-item scale. The questionnaire was the main method used by the researcher to test the validity of the hypotheses.

The aim of the study was to investigate the role of ethical leadership in influencing service innovative behavior of employees associated with SME tourist hotels in Uttarakhand region, India. The data showed that there is a positive relationship between ethical leadership and service innovation behavior of tourist hotel staff. The theoretical contribution of this study is that it highlights the psychological process by which ethical leaders promote service innovative behavior among employees. For future research, the researcher recommends using qualitative

methods to get a better in-depth understanding of the complexities involved in promoting service innovative behavior using ethical leadership.

Figure 10: Hypothesized Model



Source: Dhar, R. L. 2016: 139-145.

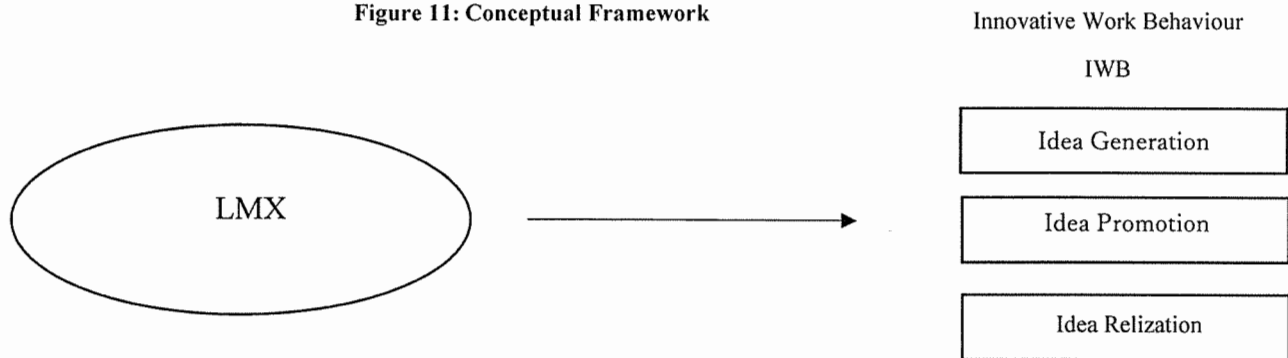
The third study was done by (Alsughayir, A. 2017: 189-195) where he studies the effect of LMX on Innovative Work Behavior (IWB) in Saudi Hospitality. The research investigates whether a relationship exists between LMX and IWB of hotel employees in Riyadh City in Saudi Arabia. One of the main goals of the study is to analyze the effect LMX has on IWB of employees working in the hotel industry in Riyadh City. The study found that LMX has a positive effect on IWB, and a high-quality LMX between leaders and members can increase innovative behavior.

The study uses the non-probability convenience sampling technique to collect data, and the sample size was 384 workers. The study was conducted among employee and supervisor pairs working in 52 hotels in Riyadh City in Saudi Arabia. The employees' position was varied, where some employees worked in high occupational levels and some employees worked in middle occupational levels. They were asked to self-administer and complete a questionnaire. The questionnaire measures the level of LMX and IWB of employees. For LMX it assesses three dimensions, trust (two items), respect (two items), and obligation (two items), and relationship quality. A five-point Likert scale that ranged from 1 (not at all) to 5 (extremely) was used to measure the participants' responses. The innovative work behavior scale was utilized to analyze the IWB of employees. a five-point Likert scale that ranged from 1 (never) to 5 (always) was used on all items of the questionnaire.

The study concludes that LMX is a vital predecessor of IWB, and high-quality LMX between leaders and members encourage members to be more innovative in their job. The study also found that most of the studies that investigated the relationship between LMX and IWB found that there was a positive relationship between them. The author of the study mentions that LMX, IWB and

the service sector in Saudi Hospitality have received little scholarly attention. Therefore, researchers are encouraged to investigate the hospitality sector in Saudi Arabia.

Figure 11: Conceptual Framework



Source: Alsughayir, A. 2017: 191.

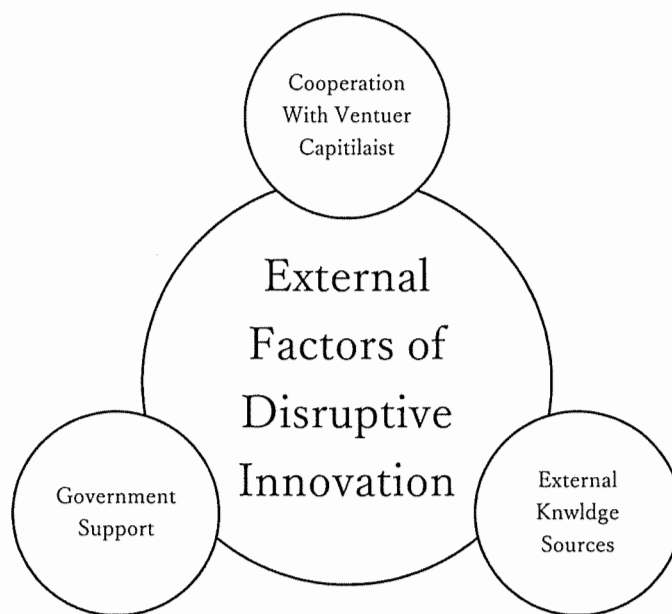
The next study is done by (Chen, J., et al., 2017: 140-157) where they investigate the internal and external factors that affect Disruptive Innovation in Chinese SMEs. The importance of the study comes from the fact that 99% of Chinese companies are SMEs, with about 60% of gross industrial output value, and 40% of national profits and taxes. Disruptive Innovation gives the chance to SMEs to challenge big enterprises and to surpass them. The study compares the internal and external factors that affect disruptive innovation with low-end disruption and high-end disruption. In this study the author states that the external factors that affect disruptive innovation are government support, external knowledge sources and cooperation with venture capitalists. On the other hand, the internal factors that affect disruptive innovation are entrepreneurs' innovation willingness, internal innovation resources, independence of organizational structure for innovation, and strategic support. Disruptive innovation can be achieved mainly through two ways. First, it can be achieved by focusing on low-end markets or new users. These products or services will start at the low-end of the markets. Overtime, these products or services become cheaper, more efficient, and smaller, and they replace existing mainstream products, services, and business models. Second, disruptive innovation can be achieved by focusing on high-end markets. It creates a new market and attracts new customers. New markets do not replace existing markets, but they create new value and new customers. Also, new markets attract consumers of the existing market who think their needs are not being met with exciting products or services.

A questionnaire was used to study the external and internal factors that affect disruptive innovation in SMEs. The questionnaires were distributed to 200 SMEs' senior leaders or R&D managers. Some of the questionnaires were sent by email and some were distributed on-site. A 7-

point Likert scale ranging from 1 = complete disagreement to 7 = complete agreement was used in this study. Although 200 questionnaires were distributed, only 158 were returned.

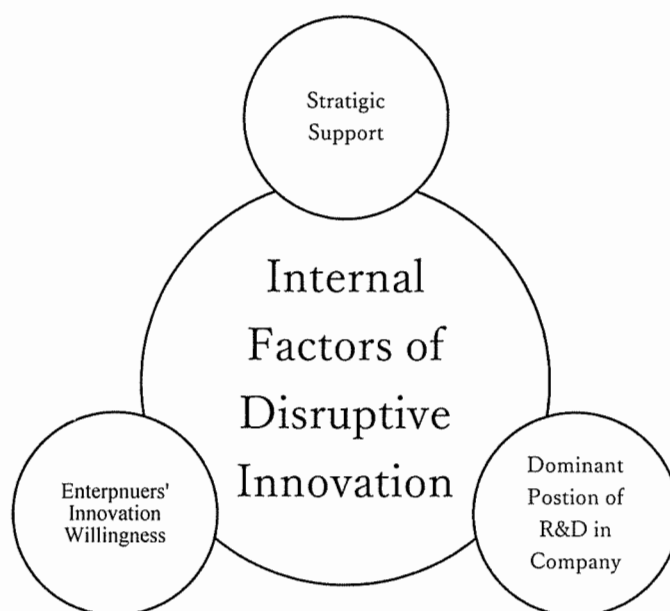
The result of the study shows that government support, external knowledge sources, cooperation with venture capitalists, are external factors that disruptive innovation in SMEs. Meanwhile, Entrepreneurs' Innovation Willingness, dominant position of R&D in companies, and strategic support are internal factors impacting the disruptive innovation in SMEs. The paper concludes the research with the following findings. One, government support such as funding, support, service platforms, incentives, intellectual property protection can help SMEs to increase high-end disruptive innovation. Second, SMEs need entrepreneurs' innovation willingness to enhance low-end disruptive innovation. Finally, external knowledge and dominant position of R&D are important for both high-end and low-end disruptive innovation in SMEs.

Figure 12: External Factors of Disruptive Innovation



Source: Chen, J., et al., 2017: 147.

Figure 13: Internal Factors of Disruptive Innovation



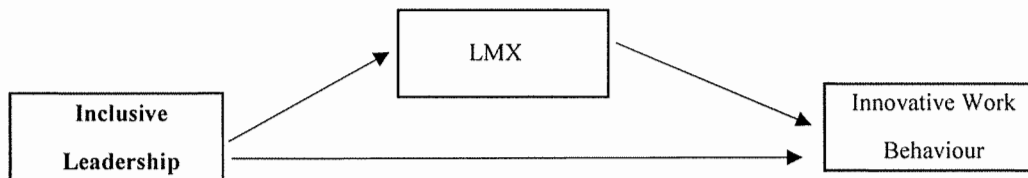
Source: Chen, J., et al., 2017: 147.

The fifth study authored by (Javed, B., et al., 2018: 594-612) analyzed the relationship between inclusive leadership, Leader-Member Exchange (LMX) and innovative work behavior (IWB) in employees of small, capitalized textile firms of Pakistan. The hypothesis of this research states that LMX intervenes with the relationship between innovative work behavior and inclusive leadership. 150 supervisors–subordinate dyads from Pakistan textile SMEs participated in the study. The reason behind the selection of SMEs is because they are more innovative and change oriented. According to the results of this research the authors claim that inclusive leadership is positively related with IWB and LMX partially mediates this relationship.

In this study the sample was taken from the textile industry in Pakistan. The reason why the sample was taken from textile industry is because of the new changes in the advancement of technology due to innovative ideas through Research and Development (R&D) efforts, which are critical for an organization's survival in the textile industry. Questionnaires were distributed to employees with a cover letter in their companies. Responses were obtained by using a 5-point Likert-type scale with 1 = strongly disagree and 5 = strongly agree for inclusive leadership, innovative work behavior and LMX. due to their relevance to the research gender, age, experience, education, time spent with the leader, R&D tenure, and task types were used as a control variable in this study.

The aim of the study was to analyze the relationship between IL and IWB with the mediating role of LMX. Based on the results of this research, inclusive leadership is related to innovative work behavior. LMX mediates the relationship between inclusive leadership and innovative work behavior in two ways. One, to be innovative employees need to challenge the status quo and voice their own opinions to managers. When managers and employees have a high-quality LMX relationship, it encourages employees to be more courageous to say their own opinions. Two, LMX helps to create a safe environment for employees to be creative and different and that can help to increase innovative work behavior. For future research the authors suggest that psychological empowerment, creative self-efficacy, and climate for Innovation should be investigated in relation to LMX and innovative work behavior.

Figure 14: Hypothesized Model



Source: Javed, B. et al., 2018: 596.

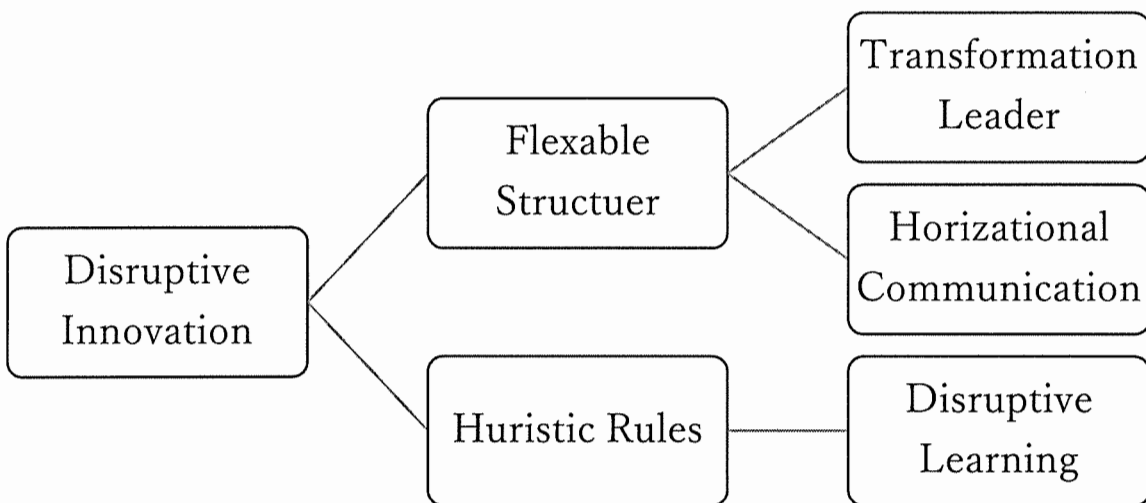
On a different study the ambidextrous capacity which is the ability to respond simultaneously to both disruptive and incremental innovation processes in SMEs was investigated by (Felicio, J. et al., 2019: 607-614). The objective of the study is to understand the organizational ambidexterity of SMEs and its relationship to organizational performance and innovation capacity. Moreover, the study aims to evaluate the characteristics that identify ambidextrous organizations and analyze the effect of organizational ambidexterity on performance, supported by the contingency-based approach, organizational theory, behavioral theory of the firm, and organizational learning theory. There are two hypotheses that the authors tested in this study. One, Disruptive innovation is identified by a flexible structure, organizational dynamics, heuristic rules, a transformational leader, horizontal communication, disruptive learning, and relational flexibility. Two, Incremental innovation is identified by a centralized structure, organizational stability, routinization of rules, a transactional leader, vertical communication, hierarchical accountability, and relational formality.

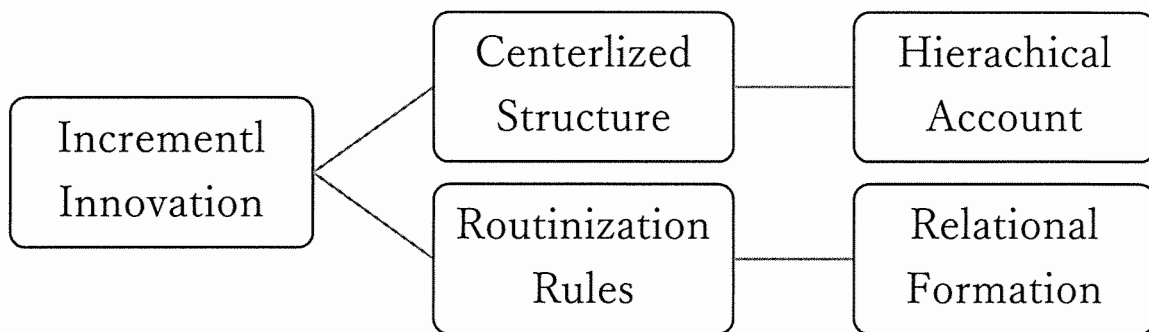
Qualitative data are collected using a survey questionnaire sent to 2991 Portuguese SMEs. Each of the 48 variables concerning organizational ambidexterity (42 variables) and performance measures (6 variables) are addressed by an item on the questionnaire, which was submitted online.

The survey is carried out using a 7-point Likert scale for measurement, which allows capturing the information and obtaining data on observed variables.

The goal of the study was to understand the organizational ambidexterity of SMEs and its relationship with organizational performance and innovation capacity. The results of the study show that disruptive innovation develops in organizational environments with flexible structures that are adaptable and open to learning, where communication is implicit, with informal and easy social relations between workers. On the other hand, incremental innovation requires centralized structures for strong stability and easier control, defending against confrontations that jeopardize the development and productivity conditions. The authors concluded that incremental innovation and disruptive innovation have similar effects on the organizational performance of SMEs, with emphasis on efficiency.

Figure 15: Disruptive and Incremental Innovation in SMEs





Source: Felício, J. et al., 2019: 612.

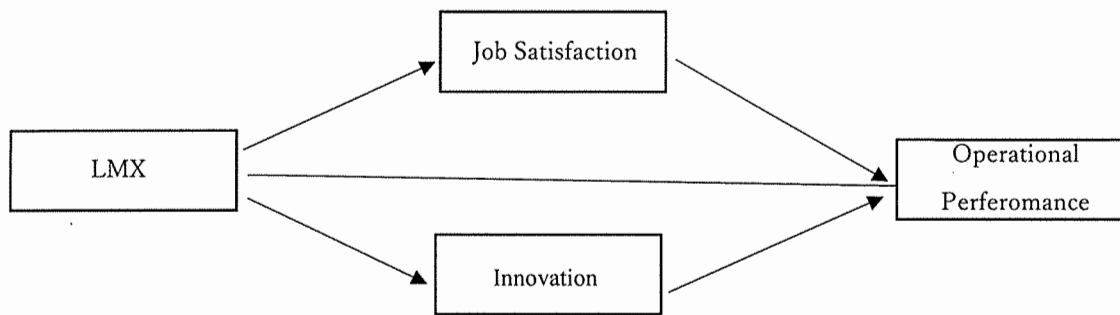
The following study examines the impact of Leader-Member Relationship Quality on job satisfaction, innovation, and operational performance in Vietnam (Nguyen, T. H. 2020: 449-456). In this paper a quantitative method was used, where 438 employees and managers from 300 processing enterprises completed the survey. According to the study, job satisfaction, innovation and operational performance have a positive impact on the quality of leader-member relationships. The researcher suggests that the behavior of the employees will change according to the way organizations treat them. If organizations treat them well, employees will perform well in their jobs. There are five hypotheses in this research. First, Leader-member relationship quality has a positive impact on job satisfaction. Second, Leader-member relationship quality has a positive effect on operational performance. Third, Job satisfaction has a positive influence on operational performance. Fourth, Leader-member relationship quality has a significant positive impact on employee's innovative behavior. Fifth, Innovative work behaviors are positively related to operational performance.

In this research both qualitative and quantitative methods were used. The sample of the study took place in 2019 in the south of Viet Nam, and 438 employees from 300 processing enterprises constituted the sample of the study. An ordinal 7-point scale was used to evaluate the items, with responses ranging from total disagreement (point 1 on scale) to total agreement (point 7 on scale).

The findings of the research suggests that a high-quality relationship between supervisors and subordinates can enhance creative participation in work performance and employees' job satisfaction contributes positively to operational efficiency. In addition, the author asserts that

leaders need to provide care and encouragement for members because this will enhance innovation. Managers and leaders should always keep an open and honest relationship with employees. They should provide a friendly and safe environment for them because this will have a positive effect on innovation and job performance.

Figure 16: Research Model



Source: Nguyen, T. H., 2020: 451

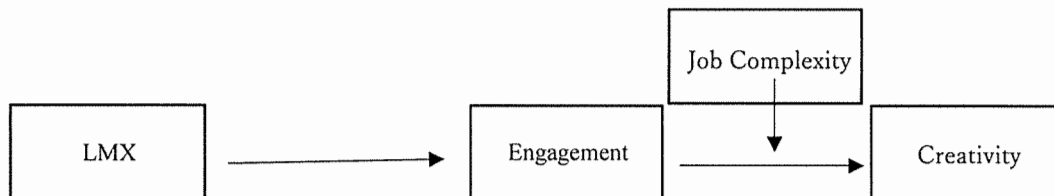
The study done by (Vila Vázquez, G., et al., 2020: 1-18) explores the relationship between LMX and creativity via engagement, and the moderating role of a job characteristic related to knowledge. The sample was taken from a sample of 320 employees from emergent high-tech and knowledge-based small and medium enterprises SMEs in Spain. The results of the study show that there is an indirect relationship between creativity of employees and LMX. In addition, job complexity highlighted the impact of engagement on creativity. High level of job complexity makes the relationship between creativity and LMX to be stronger.

The data was collected from emergent high-tech and knowledge-based SMEs in Spain. There were three conditions for selecting the SMEs. The conditions are SMEs that have been established less than 10 years, belong to the high-tech industry and knowledge-intensive industry. 443 emails were sent directly to participants to fill out the questionnaire. The constructs were used by a seven-point Likert scale (1 = strongly disagree, 7 = strongly agree). Eight item scale was used to analyze LMX, a 12-item scale was used for work engagement, three-item scale for job complexity and a four-item scale for individual creativity.

The objective of the study is to understand the relationship between LMX and individual creativity in emergent high-tech and knowledge-based small and medium enterprises SMEs in Spain. The findings of the research argues that a high-quality relationship between managers and employees lead to more job engagement. This in turn increases the individual creativity and helps employees to be more creative when doing their job. However, the study found that there is no direct relationship between individual creativity and LMX. in other words, the level of job

engagement will increase if leaders have a good relationship with employees. This will result in more individual creativity for employees.

Figure 18: Hypothesized Model



Source: Vila Vázquez, G., et al., 2020: 7.

Hoang, G., and colleagues did study on SME hotels to examine the effect of entrepreneurial leadership on employees' innovative behavior. The paper investigates the role entrepreneurial leadership plays in promoting innovative behavior among hospitality employees through mediated moderation effects. The study took place in Vietnam where managers and employees from hotel SME participated in the study. The results show that intrinsic motivation and trust in leaders mediated the association between entrepreneurial leadership and employees' innovative behavior. However, LMX did not moderate the associations between entrepreneurial leadership and intrinsic motivation and trust in leaders (Hoang, G., et al., 2022: 103-142).

The data was collected from employees and managers working in 178 small- and medium-sized (SME) hotels in Vietnam. The reason behind the selection of Vietnamese hotel SME is because the Vietnamese tourism and hospitality environments provide a rich context for the study. The theoretical contribution of the study extends entrepreneurial leadership to the hospitality domain by testing a research model of entrepreneurial leadership and innovative behavior in a hospitality context

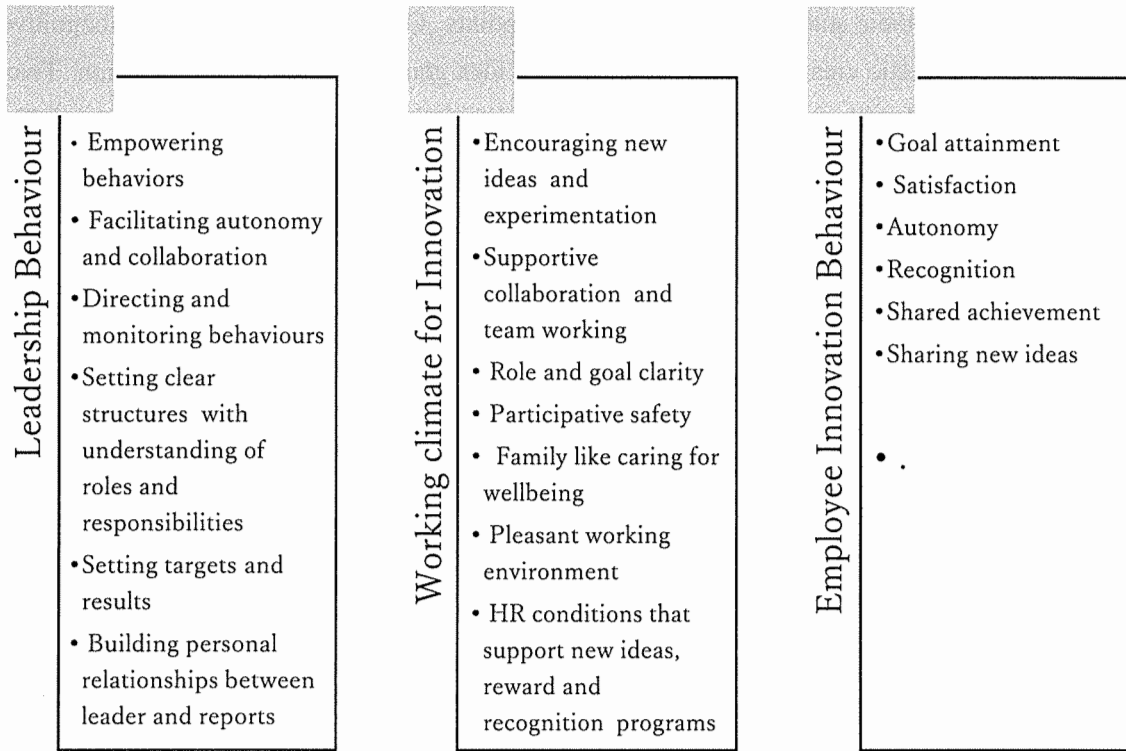
In conclusion, this study analyzed the influence of entrepreneurial leadership on employees' innovative behavior in Vietnamese SME hotels. The contribution that this study made was by examining the relationships that exist between entrepreneurial leadership, intrinsic motivation, trust in leaders, LMX and innovative behavior. The result of the data showed that intrinsic motivation and trust in leaders mediated the relationship between entrepreneurial leadership and employees' innovative behavior. For future research the authors suggest that the model can be tested in different regions other than major cities in Vietnam as well as in service contexts other than hotel settings, such as restaurants to enhance the generalizability of the findings.

The next study done by (Hoang, G. et al., 2020: 1-29) explored how leaders shape the organizational climate of their firms to enhance innovation. The authors argue that although leadership and organizational climate have been identified as playing a key role in innovation, little is known about whether such influences play out in SMEs. The data was gathered from semi-structured interviews conducted with 20 CEOs of SMEs in the Vietnamese tourism sector. The results of the study support the hypothesis of the research that claims that SME leaders in the tourism sector influenced an organizational climate that provided for autonomy and supported innovation through a number of leadership approaches. Moreover, used daily interaction-based practices to drive the innovative behaviors of employees and developed reward systems to encourage innovation in their organizations.

The relationship between leadership, organizational climate and innovation is a relatively unexplored topic in the SME context. That is why in this study a methodological approach that facilitates the discovery of these relationships was chosen to collect the data. In-depth interviews were chosen as the tool of enquiry as they enable a clear picture of respondents' position or behavior and provide the opportunity for participants to clarify and elaborate on their answers. The interviews were guided by an interview protocol, which included open-ended questions. Participants were 20 CEOs in charge of tourism SMEs in Vietnam and were contacted using an online public business list of innovative firms in the tourism sector. All were both CEOs and founders or co-founders and they were at different stages of their careers.

The findings of the research show that providing autonomy and freedom for subordinates; welcoming and supportive of new ideas; communication, inspiration, and knowledge sharing; teamwork and collective decision-making; developing rewards and incentive systems; and comfortable working conditions are factors that increase the organizational climate to stimulate innovation in SMEs. In addition, communication between leaders and subordinates and knowledge sharing are important in stimulating innovation in tourism SMEs. Future research the authors recommend analyzing the mix of human resource systems and interpersonal mechanisms that create and support a climate for innovation.

Figure 18: Conceptual Diagram



Source: Hoang, G. et al., 2020: 23.

Reiter-Palmon, R., and Illies, J. J. (2004), has done study on the relationship between LMX and creativity. I will present the background, objectives, methods, and the findings of the study. After that I will talk about the relationship and the uniqueness of this paper compared to this paper. In their paper they state that creativity is necessary for organizations because of the changes that happen often to the market. Creativity requires employees to construct a problem, search and retrieve problem-relevant information, and generate and evaluate a diverse set of alternatives solutions. These are complicated mental process and leaders need to understand them in order to provide their support for employees. This paper analyzes the cognitive processes of creative thinking. It provides ways in which leaders and managers can facilitate these processes in an effort to enhance the creative thinking skills of their employees.

Their method of conducting the study was to review literature on creativity. After reviewing the literature, they suggested how leaders may facilitate and enhance creative thinking skills of their followers. They suggest that it can done by influencing the various cognitive processes involved in creative problem solving. They also used creative problem-solving processes as a guide, to review relevant literature. This helped them to do a reviewing on the factors that may

affect the various cognitive processes that must be engaged in to solve problems creatively, and how leaders can help encourage these processes in their subordinates.

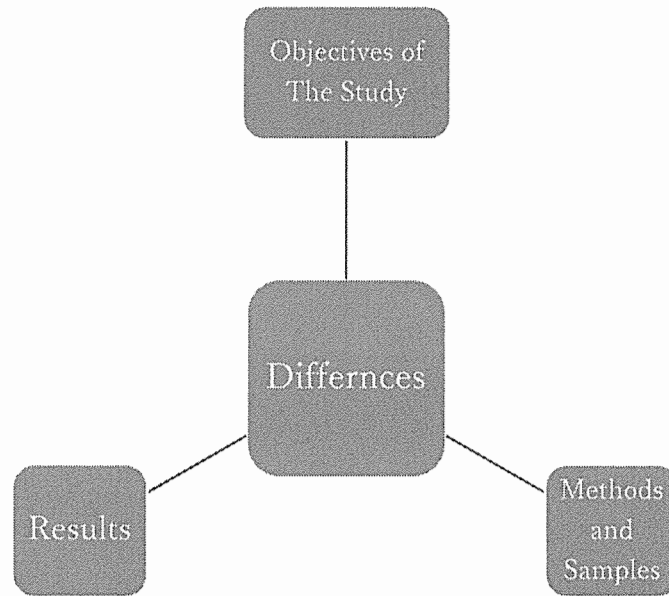
The results of their study included three main points. One, they found that the cognitive processes that underlie creative problem solving are idea generation and idea evaluation. Two, they also suggest that time and information availability is important, but it is not enough for creativity. Employees must be able to capitalize and utilize this information in a way that is useful for the organization. Three, instructions given by leaders and the specific processes actively engaged in these processes enhance creativity (Reiter-Palmon, R., and Illies, J. J. 2004: 55-77).

Now I would like the differences and the uniqueness of this paper compared to the study discussed above. One, in terms of background the two studies are different. This paper investigates the relationship between LMX and Disruptive Innovation, whereas Reiter-Palmon, R., and Illies, J. J. (2004), is analyzing the cognitive process behind creative thinking skills and how can leaders improve it. This paper is analyzing how can leaders use LMX to stimulates Disruptive Innovation. Although, creativity is the first step towards innovation, but that does not mean they are the same. Innovation and creativity are similar, but they are very different process with different characteristics. For this reason, this study and Reiter-Palmon, R., and Illies, J. J. (2004) study is different in terms of background and objectives of the study.

Another difference can be found in the method of conducting the study. This study is investigating Saudi and Japanese tourism SMEs. On the other hand, the study of Reiter-Palmon, R., and Illies, J. J. (2004), is based on reviewing the literature with no actual sample. Also, in this research a qualitative methodology has been used to interview participants to analyze LMX and Disruptive Innovation. However, on Reiter-Palmon, R., and Illies, J. J. (2004) study, there was no samples. This makes the present study different from the study of Reiter-Palmon, R., and Illies, J. J. (2004).

Finally, the findings of Reiter-Palmon, R., and Illies, J. J. (2004) study was on the cognitive process of creative thinking and how can leaders give support to improve it. However, in this study, the findings are around the importance of making high-quality LMX relationships to stimulate Disruptive Innovation in tourism SMEs. As a summary, the background, method of the conducting the study, and the findings are very different from each other. This makes the present study unique because it uses different method, analyze uninvestigated components and study the relationship between LMX and Disruptive Innovation.

Figure 19: Differences and Uniqueness



Source: Made by the author

After reviewing the past research, the main points of each research such as the authors of the study, the focus of the study, the industry, and the conclusion will be presented in a summary table. Next, I will explain in depth the similarities and the differences that the previous studies have in common. After that I will present the unique points of this study, and the research gap that I am addressing.

Table 3: Summary of Previous Research

Study	Focus	Industry	Conclusion
(Tajasom, A. et al., 2015: 172-188)	Explores the relationship between Transformational Leadership and Innovation Performance in Malaysian SMEs	Electrical and electronics industry	Transformational Leadership has a positive effect on Innovation Performance in Malaysian SMEs in the electrical and electronics industry

Dhar, R. L. (2016: 139-148)	Investigated the effect of ethical leadership on service innovative behavior of employees at SMEs tourist hotels in India	Hotel Industry	There is a positive relationship between ethical leadership and service innovation behavior of tourist hotel staff
(Alsughayir, A. 2017: 189-195)	Studies the effect of LMX on Innovative Work Behavior (IWB) in Saudi Hospitality.	Hotel Industry	LMX is vital predecessor of IWB
(Chen, J., et al., 2017: 140-157)	Explores the internal and external factors that affect Disruptive Innovation	Chinese SMEs	external knowledge and dominant position of R&D are important for both high-end and low-end disruptive innovation in SMEs
(Javed, B., et al., 2018: 594-612)	relationship between inclusive leadership, Leader-Member Exchange (LMX) and innovative work behavior (IWB) in employees of SMEs in Pakistan	Textile Industry	Inclusive Leadership is related to Innovative Work Behavior and LMX mediates the relationship between Inclusive Leadership and Innovative Work Behavior
(Felício, J. et al., 2019: 607-614)	the ambidextrous capacity processes in SMEs	Portuguese SMEs	incremental innovation and disruptive innovation affect organizational performance of SMEs
(Nguyen, T. H. 2020: 449-456)	Impact of LMX on job satisfaction, innovation, and operational performance	Vietnamese SMEs	High-quality relationship between supervisors and subordinates can enhance creative participation in work performance

(Vila Vázquez, G., et al., 2020: 1-18)	Relationship between LMX and creativity via engagement, and the moderating role of a job characteristic related to knowledge in Spanish SMEs	High-tech and knowledge-based Industry	LMX increases the individual creativity and helps employees to be more Innovative
(Hoang, G., et al., 2022: 103-142)	Examines the effect of Entrepreneurial Leadership on employees' innovative behavior in SMEs	Hotel Industry	Intrinsic motivation and trust in leaders mediated the relationship between entrepreneurial leadership and employees' innovative behavior
(Hoang, G. et al., 2020: 1-29)	Explored how leaders shape the organizational climate of their firms to enhance innovation in SMEs	Hotel Industry	Providing autonomy and freedom for subordinates; welcoming and supportive of new ideas can help to enhance innovation
(Reiter-Palmon, R., and Illies, J. J. 2004: 55-77)	cognitive processes of creative thinking	Literature Review	Cognitive process of creativity must be understood by leaders

Source: Made by the author

IX The Uniqueness of This Research

After reviewing the past studies, in this section I will clarify the points that make this research unique in comparison with other studies. To do that, I will explain the similarities and the differences that the previous studies have in common. After that I will present the unique points of this study. In general, there are three main points that distinguish this research from previous studies. The unique points are field of the research, methodology and theoretical framework. Each point will be discussed thoroughly to clarify its importance and uniqueness.

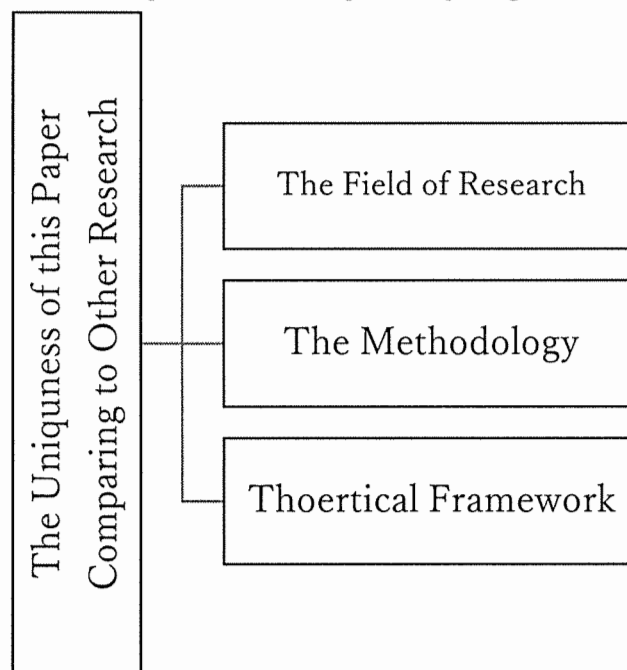
The field of research is the first characteristics that distinguishes this study from previous research. With almost no exception the previous studies that investigated the relationship between leadership and innovation in SMEs has been done in one country. This paper is the only comparative study that investigate the effect of leadership on innovation in two different countries. In this paper, the sample was taken from tourism SMEs in Saudi Arabia and Japan. Investigating leadership and innovation in two different countries add depth and value to this research. Although, both Saudi Arabia and Japan are located in Asia, but there are a lot of differences between the two countries. The differences include but are not limited to cultural, linguistically, historical, geographical, political, economic, and religious differences. All these differences have a huge impact on employees' behavior. Consequently, the impact of these differences can extend its affect to include the dynamics of leadership and innovation. Moreover, the policies and procedures that govern hoe organizations operate are different from country to country. This can have a huge impact on organizational climate which in turn impacts leadership and innovation. This study provides a thorough analysis of the dynamics of leadership and innovation in Saudi Arabia and Japan. Studying leadership and innovation in two different countries can deepen our knowledge about these important elements and provide a unique opportunity for other researchers to understand the different dynamics leadership and innovation have in organizations.

The methodology that has been used in this paper is another unique point that differentiates this study from previous research. Except for one study, all the previous research used a quantitative methodology to conduct their research. Using a qualitative method to analyze leadership and innovation behavior in organizations can provide a deeper understanding for researchers. Asking open ended questions that allow participants to voice their opinions can be useful in understanding how leadership operates in relation with other factors such as innovation. Leadership and innovation are complex phenomena that require researchers to analyze them from different angles and use different methods. This paper utilized a qualitative methodology that can provide a unique perspective in understanding leadership and innovation and encourage other researchers to use different methods.

The third point that distinguish this research from previous studies is theoretical framework. Previous studies have analyzed different leadership and innovation theories. However, no study has investigated the impact that LMX has on Disruptive Innovation in SMEs. Some studies have analyzed LMX, and other studies have investigated Disruptive Innovation. Nonetheless, no study has investigated LMX and Disruptive Innovation together. This study is unique and different from other studies because it analyzes the impact of LMX on Disruptive Innovation in tourism SMEs. By looking at the previous studies, it is clear that both LMX and Disruptive Innovation are important for SMEs. Analyzing LMX and Disruptive Innovation separately is important, and it provides a focused perspective. Also, studying LMX and Disruptive Innovation in relation with

other theories such as Innovative Work Behavior or Transformational Leadership can be useful in understanding the different dynamics of leadership and innovation. However, this paper analyzes LMX and Disruptive Innovation dynamics in tourism Saudi and Japanese SMEs which makes it unique and add theoretical contribution to the fields of leadership and innovation. In conclusion, there are three main points that distinguish this paper from previous research. The three points are field of the research, methodology and theoretical framework. Each point is unique, can help to broaden our standing of leadership and innovation, provides distinctive perspective, and add value to leadership and innovation research.

Figure 20: The Uniqueness of this Paper Comparing to other Research



Source: Made by the Author

(1) The Rational Behind Choosing to Investigate the Relationship Between LMX and Disruptive Innovation

After analyzing the prior studies and the gap in literature that this study is trying to fill, I would like to mention the rational of this study. I will clarify the reasons that were behind the selection of LMX and Disruptive Innovation as component to be analyzed in this study. To do that I will talk about the leadership and its importance creativity and innovation for organizations. After that, I will explain the features of LMX and Disruptive Innovation and the dynamics

between them. The reasons behind choosing to analyze LMX and Disruptive innovation are the pivotal role of leadership in stimulating innovation, the complementary features of LMX and Disruptive Innovation, and the gap in literature in terms of analyzing the two components together.

(2) The Pivotal Role of Leadership in Generating Organizational Creativity and Innovation

The literature of leadership supports the idea that leadership is one of the most important for creativity and innovation in organizations (Agbor, E. 2008: 41). In organizations, it is almost impossible to engage in creative or innovative endeavor without the support of leadership. To add to that, some scholars believe that leadership is an essential component in organizational innovation (Mumford, M. et al., 2002: 707). This is because leadership affects organizational climate which plays an important role in the enhancement of innovation performance. Other factors that leadership affects include employee and consumer satisfaction and the enhancement of perception of service effectiveness by customers that has positive effect on creativity (Aarons, G. A., and Mrfeld, D. H. 2012: 2). As one can see from the studies above, that leadership is one of the most important and effective tools to be used to generate creativity and innovation. This is one of the main reasons that were behind the selection of LMX over other theories such as Intrinsic Motivation Theory and Self Determination as tools to drive creativity and innovation.

(3) The Complementary Features of LMX and Disruptive Innovation

the complementary relationship between LMX and Disruptive Innovation is another reason that motivated me to chose to analyze these two components over other theories. To explain this point, I will first mention the features of Disruptive Innovation that makes it unique and not an easy process to be involved in. Next, I will explain the features of LMX that makes it suitable for producing Disruptive Innovation.

Disruptive Innovation that targets products and services that are not favored by the mainstream customers but offer alternative benefits can over time change the market (Guttentag, D. 2013: 1193). This means that the process of Disruptive Innovation takes a lot of investment in time and money. Leadership that does not have healthy relationship with employees, will not be able to provide them with the trust and support they need to continue their Disruptive Innovation projects. However, leadership that has high-quality LMX with its employees will be able to provide them with support and encouragement they need. LMX can have a great effect on organizational environment and employees' satisfaction. In one study researchers found that a good LMX environment can help to increase creativity skills of employees. In addition to that,

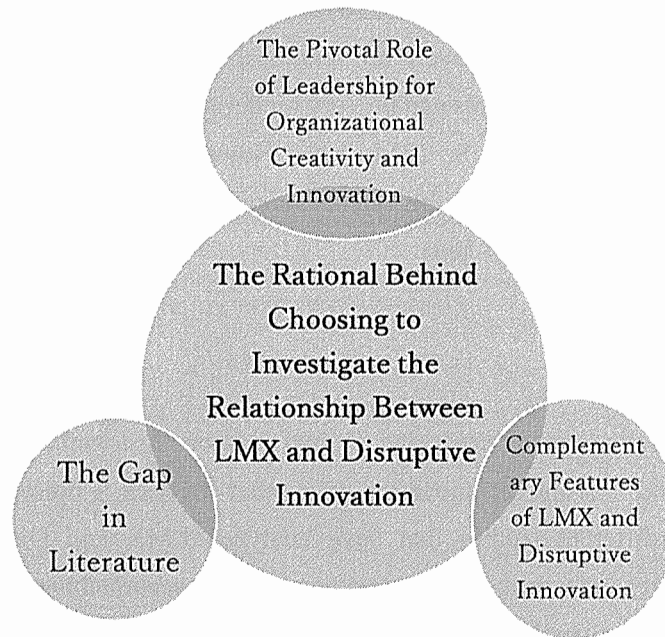
mutual respect between members and supervisors, the commitment to the job and the organization and the overall satisfaction improved (Naz, S. 2019: 68). When the process of innovation is long and expensive this might affect negatively the relationship between leadership and employees especially the trust between them. This can be very hindering for companies, and it might affect their ability to innovate (Talegeta, S. 2014: 100). However, LMX enhances trust between leadership and employees, and this can be very beneficial for producing Disruptive Innovation (Scott, S. G., and Bruce, R. A. 1994: 584).

(4) The Gap in Literature

The gap in literature in terms of analyzing the two components together is another motivation for selecting LMX and Disruptive Innovation over other theories. I presented in the Previous Studies Section the different studies that have analyzed LMX and Disruptive Innovation. However, all the studies have analyzed the two components separately which was analyzed by me as a gap in the literature. This study was meant to fill that gap by analyzing LMX and Disruptive Innovation. For example, one study analyzed the effect of LMX on Innovative Work Behavior (IWB) in Saudi Hospitality (Alsughayir, A. 2017: 189-195). Another study investigated the internal and external factors that affect Disruptive Innovation in Chinese SMEs (Chen, J., et al., 2017: 140-157). It is clear from the studies above that LMX and Disruptive Innovation are important factors. According to my knowledge, there is no study that investigates LMX and Disruptive Innovation in tourism SMEs in Saudi Arabia and Japan. This was observed as a gap in the literature and was a motivation for me to choose LMX and Disruptive Innovation over other theories such as Intrinsic Motivation Theory and Self Determination Theory.

To conclude, there are two reasons that were behind the selection of LMX and Disruptive Innovation as component to be analyzed in this study. One, the pivotal role of leadership in generating organizational creativity and innovation. Two, the complementary relationship between LMX and Disruptive Innovation. Three, the gap in literature in terms of analyzing LMX and Disruptive Innovation together.

Figure21: Reasons for Choosing LMX and Disruptive Innovation for Investigation



Source: Made by the Author

X Conclusion

In this section, the elements of the research such as leadership, LMX, innovation, Disruptive Innovation, The Fourth Industrial Revolution (4IR), and SMEs have been explored thoroughly. After that, I examined the previous studies and analyzed the focus, methods, and the conclusion of each paper. I followed that by writing about the similarities and differences that past studies have in common. The purpose of mentioning the characteristics of other research is identify the research gap that needs to be filled. Moreover, knowing what research has been done in the past helps to differentiate between the characteristics of this research and those of another research. Finally, the uniqueness of this paper in comparison with the previous research has been explored. Each unique point has been explored separately and examples have been given on each factor to show how the reason behind its distinctiveness.

Part II: The Framework of Leader-Member Exchange Theory (LMX) and Disruptive Innovation in the Age of Industry 4.0

I Introduction:

In the age of the Fourth Industrial Revolution the changes around us happen all the time in fast fast-paced momentum. This means that organizations will have to deal with a lot of new and unexpected challenges. These new and unexpected challenges require new solutions and new way of thinking. In other words, it requires creativity and innovation. Without creativity and innovation organizations of all sizes will find difficult to move forward and be profitable. However, creativity and innovation need leadership support, and if there is no support from leadership the ability to be creative and to innovate is next to impossible. That is why organizations need both leadership and innovation to grow and be profitable in local and global markets.

In this part, relational leadership, its history, and types will be discussed. Moreover, the similarities and the differences between relational leadership styles and how LMX is different from other relational leadership theories will be analyzed. After that I will discuss the different kinds of innovation including small innovation or innovation activities that focus on small developments, and big innovation that aims to create big innovation in the market. Next, I will talk about the traditional leadership that is based on giving orders and ignoring the employees' feelings and opinions. A comparison between traditional leadership and relational leadership will be thoroughly investigated. Specifically, I will mention the weak points of traditional leadership and its bad effect on innovation. On the other hand, I will explore the many benefits of LMX which is a part of relational leadership, and its great and positive effect on organizational innovation performance. After examining the leadership types and its influence on innovation, the different types of innovation and the importance of each type will be studied. Each type of innovation is unique and special and has its own features. I will explore them and see how each type of them help organizations to be profitable and stay strong in the ever-changing markets of the Fourth Industrial Revolution era. Finally, the relationship between LMX and disruptive innovation will be explained. I will mention the hypotheses of this research which state that the relationship between LMX and Disruptive Innovation is a correlational one. In other words, if the level of one element goes up the level of the other element will go up too. I will explain how LMX, and disruptive innovation have a dependent relationship in organizations.

II Leader-Member Exchange Theory Framework

Before I delve deeper into the concept and types of Leader-Member Exchange Theory (LMX), I would like to talk about relational leadership and its meaning. Relational leadership requires leaders to engage in a way where relationships with others is important and appreciated.¹⁴ This means that leaders who follow this style of leadership must be morally and ethically responsible and adhere to the noble and humane rules of their society. In other words, leaders need to be morally accountable to others. When communicating with others, one must be morally and ethically responsible for his/her actions. In the heart of relational leadership, ethics and moral are essential. The reason why is because communicating and interacting with others require us to pay attention to what we say and do. This is different from other leadership styles where they focus on traits and characteristics of leaders. Traits like charisma and courage are important, but they do not give us the whole picture of leadership. The reason behind that is that when we only look at the leader and his/her traits and characteristics, we miss the chance of looking to the way the leader interacts and communicate with the followers. We all know that leadership consist of two main components which are leaders and members. Without leaders there will be no members and without members there will be no leaders. That is why in this research I propose that to be able to look at the bigger picture of leadership we need to study and analyze both leadership and followership. Studying only one factor will give us half the picture and will lead to the miss understanding of the concept of the unexplored element whether its leadership or followership.

(1) Leadership and Relationships

Leadership styles that encourage building healthy relationships between leadership team and employees are different than traditional leadership. In relational leadership employees work freely and are enjoying the support of their leaders to be more effective and innovative. They feel safer to try new things and challenge the normal way of doing things. On the other hand, in companies that are using traditional leadership, we find that employees are not as free and as creative, and the reason why is because they usually wait for their leaders and mangers to give them orders to follow. They rarely use their imagination and creativity because they are afraid that their leaders might reject their ideas (Ford, L. R., and Seers, A. 2006: 3). I explore in detail the differences between traditional leadership that are based on giving orders to employees, and the relational leadership styles such as LMX where the relationship with employees is considered a priority in the organization. In this part the focus will be on relational leadership in general and LMX to analyze the concepts and frameworks of these important leadership styles.

¹⁴ Some researchers argue that analyzing leadership from the organizational structure is ineffective. They believe that we need to study leadership within the social constructions of organizing. How leaders construct realities and identities for their members is more important than analyzing leadership from organizational structure (Cunliffe, A. L. and Eriksen, M. 2011: 1429).

(2) LMX Trust, and Relationships

After talking briefly about relational leadership now I would like to talk about its connection to LMX theory. LMX is a style of leadership that is built around relationship between leaders and subordinates. Both parties engage in the relationship to evaluate and see the ability and integrity of the other person. For example, the leader will engage in a close relationship with the members who frequently report to him. The leader will evaluate the ability, passion, loyalty, and skills of the member. If the leader thinks that the member is good enough to be trusted, the leader will form a high-quality LMX relationship with his member. On the other hand, members also will evaluate and test their leaders to see if leaders will provide them with the necessary resources and with the rewards that members need. If both leader and member think the other party is trustworthy, then a high-quality LMX relationship will be formed.

I will explain in detail the benefits that both leaders and members get when they form a high-quality LMX relationship. But now I would like to mention the importance of trust in LMX. Trust is very important in the forming of LMX relationship between leaders and members.¹⁵ Without trust the relationship will not flourish and it will remain as a normal relationship between leaders and members (Brower, H. H., et al., 2000: 227). Morals and ethics are important in human relationships. Relational leaders and leaders who form high-quality LMX relationships with their members understand. To build a healthy relation with their employees, leaders need trust, honesty and transparency. When leaders build a healthy and strong relationship with their employees, hint high-quality LMX relationship, the performance and confidence of their employees increase. The environment become safer, and employees will have more opportunities to be effective and innovative. That is why in this research I am encouraging the use of leadership that aims to build a healthy relationship with employees such as LMX leadership style. I believe that traditional leadership are not effective and does not help in making members more effective, creative and innovative. In addition to providing safety and increase innovation performance in organizations, some studies have found that LMX can also lead to a better job performance, satisfaction with leaders and job, increased the loyalty of employees, enhance conflict management, and decrease turnover rates (Gerstner, C. R., and Day, D. V. 1997: 827).

(3) LMX and Organizational performance

LMX has a positive effect on organizational and employee performance. In this paper, I propose that if leaders incorporate LMX techniques into their leadership styles, not only

¹⁵ Trust is a vital element in high-quality LMX between leaders and members. On study done on 285 supervisor subordinate dyads from a manufacturing firm in China, researchers found that trust perception of supervisors by their subordinates can help explain the development of high-quality LMX. Furthermore, the trust perception may interact with supervisor-rated emotional intelligence to influence the quality of LMX, and, consequently, work performance (Chen, Z., et al., 2012: 597).

innovation performance will increase, but also the overall satisfaction of both employees and customers. Leaders who are using LMX leadership style understand that healthy and strong relationships have a great power in transforming markets and creating a better and safer environment for their members. Customers also can benefit from that because they are the end recipients of products and services of companies.

III Leader-Member Exchange Leadership Style (LMX) and Traditional Leadership Style: Differences and Comparisons

The differences between traditional leadership and relational based leadership styles such as LMX leadership style has been discussed. Traditional leadership uses what is known as the organizational hierarchy system. In such systems, employees are responsible for certain tasks that are determined by the leadership team. Employees are not allowed to do anything until they take the permission of their leaders. They set in their offices waiting for the orders to come from above. On the other hand, relational based leadership styles like LMX, give a huge importance to relationships with members. Leaders starts by evaluating their members to see who can be a candidate for making a high quality LMX relationship with. When they find the right member, they test them by giving some tasks to check their ability and loyalty. If leaders think that chosen members are appropriate and good for the job, they will form a high-quality LMX relationship with them. When that happen members will get a lot of benefits and rewards from leaders. They will get the support of their leaders and they will get the necessary resources to do their tasks. This will help them to increase their confidence and satisfaction levels. Leaders also will get the loyalty of their employees, and they will get better organizational performance. We can see that there is a big difference in terms of organizational performance and the leadership style used in the organization. In traditional leadership, we found that employees are not satisfied with their jobs and part of that is because they feel that their opinions and suggestion are not important in the organizations. In addition to that, the relationship between leaders and members are governed by the contract and there is no personal connection between the two parties. This can affect not only innovation performance of the organization but also the health and well-being of employees. In addition to that, some studies have found that there is a positive relationship between LMX and task and citizenship performance (Martin, R. et al., 2016: 21).

When one look at the dynamic of both LMX and traditional leadership, one can understand why LMX is more effective in producing good results at work. When employees feel that their leaders or supervisors trust them and appreciate their ideas and, suggestions and opinions, their performance becomes better. It explains the idea of reciprocity where when someone does

something good for someone else, the other person will feel obliged to return that favor.¹⁶ The same thing happens in organizations, when leaders trust their employees and give them the support they need, employees will feel the obligation to return the favor and will try to improve their performance at work. On the flip side, the traditional leadership focus on giving orders and meeting deadlines, and do not take into consideration the safety of the environment for employees. In such organizations employees act like robots where they wait for their supervisor to tell them what to do. They rarely use their skills and their own ideas to do the tasks. This results in decrease in creativity skills in employees and lead to dissatisfaction with work because there is no challenge nor excitement. In addition to that, employees feel insecure and fear for their job because there is no personal connection with their supervisors, and the environment does not encourage and nurture human relationships. The employees continue to work because they signed a contract and they do it for the salary. In such environments innovation does not thrive and creativity is killed. Leadership should be used not only to make profit for the organization, but also to help those working for the company or the organizations to be better individuals. This makes sense because if you have strong, confident, and creative employees, your organization will be much more effective. I believe that leadership is the main tool that can be used to increase efficiency, productivity, and innovation. Leaders can do that through the empowerment of their employees and by focusing on building strong, healthy, and transparent relationships with their members. When leaders do that, the atmosphere of the organizations will improve and becomes safer and healthier.

Leadership styles that focus on the nurturement of human relations like LMX can have a great effect on organizational environment and employees' satisfaction. In one study researchers found that a good LMX environment can help to increase creativity skills of employees. In addition to that, mutual respect between members and supervisors, the commitment to the job and the organization and the overall satisfaction improved (Naz, S. 2019: 68). Investing in building good relationship with members is very beneficial for organizations. The benefits include better financial results, better reputation among workers, better customer satisfaction and better creative and innovative results. It is a win-win strategy where everyone can benefit from the results that LMX environment can produce. That is why I believe that leadership should involve and focus on human relationships and innovation.

In this paper I define leadership as: Leadership is the process of influencing others to achieve the desired goals of the organization. The influencing process is done through building healthy

¹⁶ Reciprocity is one of the most fundamental human behaviors. According to some research, reciprocity exchanges are not limited to material goods and money but also can include symbolic value such as approval and prestige (Cropanzano, R. and Mitchell, M. S. 2005: 890). This can be seen in the relationship between managers and subordinates where loyalty to managers can be rewarded with attention, respect and financial incentives.

relationships with members that encourage the development of job-related skills and creativity and innovation skills. In this definition the importance of achieving the desired goals through the empowerment of members is key to leadership. Leaders can do that by providing a safe and secure environment for employees and by building a healthy relationship with them. They also do that by supporting employees to develop their job-related skills and be more creative. If leaders forced employees to do the tasks, and neglected their feelings and wellbeing it becomes dictatorship not leadership

IV Disruptive Innovation Framework

In this research, I will focus on radical innovation or disruptive innovation, and these innovation activities are big and aiming to create something completely new or create a new service or a new experience for customers.¹⁷ Terms like radical innovation, breakthrough innovation, and paradigm-shifting innovation are all words that describe innovation process that is different from incremental innovation or sustaining innovation. Organizations need to engage in some form of disruptive innovation for the long-term survival. Many organizations have disappeared from the market because they ignore radical innovation and focus on incremental innovation.¹⁸ We will analyze the similarities and differences between the two types in the next section.

Innovation is a great tool that organizations can use in their competition with other organizations. Innovation is great because it makes the organization or company unique and different from others and that what attracts customers to the company (Thomond, P., and Lettice, F. 2002: 17). Radical innovation or disruptive innovation describes the technologies or services that disrupt the market and change the way both suppliers and customers view and interact with each other. For instance, a great example of disruptive innovation in the tourism industry is the rise of Airbnb Company.¹⁹ Before that, customers would go to their destinations and would book

¹⁷ Big companies need to use radical innovation and include it into their corporate strategies. Some studies found that most big companies engage in more market research on the value propositions of existing customer segments and ignore radical innovation. Traditional management that focuses on improving existing products to keep their regular customers may want to apply new innovation management strategies if they are to be successful in today's global markets (Stringer, R. 2000: 87). This can be extended to SMEs as well and the reason is because both big and small organizations are experiencing the same environmental circumstances of global markets.

¹⁸ Companies can face the threat of bankruptcy if they do not react efficiently to disruptive innovation products from other competitors in the market. One study done on Hasslblad Company found that lacking the resources to pursue extensive internal development projects can be one of the reasons that restrain organizations from reacting in an efficient way towards disruptive innovations in the market (Sandström, C., Magnusson, M. and Jörnmark, J. 2009: 14).

¹⁹ As one of the most famous peer-to-peer platforms in the tourism industry world, Airbnb has seen an extraordinary growth in many countries in the world. The Disruptive Innovation methods applied by Airbnb made possible for the company to claim that they have more listings than the top three hotel chains combined. Airbnb started as a small company, but the company used Disruptive Innovation strategies to be one of the biggest players in the hotel industry

a hotel room for their stay. Hotel chains like Hilton and Four Seasons Hotels dominated the market of the hotel industry for decades with almost no competition. Airbnb provided a new innovation and a new paradigm-shift in thinking. Instead of booking a hotel room, customers now can book a room in an ordinary house for local people. This provided a new financial resource for many local people and made booking a room much cheaper and easier to find. Before that it was difficult for some people to find a hotel room if the hotels were fully booked. Now Airbnb services makes easier for customers to find a place to stay. The innovation that Airbnb provided is that the website of Airbnb is acting as a platform where both suppliers and customers can come in one place to do the transaction. This is different from the traditional way where hotels had to buy a land and then build the hotel and then buy the furniture of the hotel and find employees for the hotel. This is a long process that takes a lot of time, money, and energy. Airbnb platform makes all that unnecessary. You just to find a good room at your house and put it on the website so that customers can see it (Almaloy Y. 2021 and Almaloy Y 2023).

Now that I mentioned one example of disruptive innovation in big organizations, I would like to apply that to SMEs. What makes disruptive innovation very effective for SMEs is that it makes them focus on Market Oriented Strategies. This means that SMEs are incorporating the strategy of analyzing the needs of customers and buyer chains. In addition to that, SMEs will study the markets and collect all the necessary information about both competitors and customers. What makes disruptive innovation different from other types of innovation is that disruptive innovations usually start small and unnoticeable. Over time they grow and become very popular and the new entrants to the market become the big new players in the market. They do that by studying and analyzing the needs of the unserved customers who are usually are not from the main customer group. Companies that use disruptive innovation make smaller, cheaper, and easy to use product or services that over time the main customer group leave the traditional favorable product or service and shift to the disruptive innovative product. That is why disruptive innovation techniques that are combined with market-oriented strategy is very effective for SMEs. Disruptive innovation always causes the market to change, and the big players might lose the battle against the new entrants. The new entrants to the market will introduce newer, cheaper, and easy to use products that will make the loyal customers of the dominant companies think about shifting to the new products. This happens to big hotel chains that we talked about above. A lot of companies lost the battle and could not take the disruption that disruptive innovations have made in the market.²⁰

(Volgger, M.et al., 2018: 4).

²⁰ The environment can have a huge impact on Disruptive Innovation dynamics. One study that Disruptive Innovation in China differs than developed countries in three ways. One, Chinese Disruptive Innovations focus on offering a range of differentiated value propositions including delivering high technology at low cost. Two, Disruptive Innovation products performance improves more rapidly compared with developed markets. Three, they

V Disruptive Innovation and Incremental Innovation: Similarities, Differences and Effectiveness

Innovation is invaluable tool for organizations of all sizes, and it is important for long-term survival. In this paper, innovation will be divided into two main types. The first type is radical or disruptive innovation. The second type is, incremental or continues innovation or what some researchers refer to as Kaizen.²¹ Although, both kind of innovation is important for companies, most companies ignore radical or disruptive innovation. There are several reasons that make companies ignore disruptive innovation. One, disruptive innovation requires the investment of time and money. SMEs are always struggling with resources, and they lack the proper human and financial resources. That is why we find many leaders of SMEs avoid dealing with disruptive innovation and focus their attention and effort on incremental innovation. Two, radical innovation involves risk and ambiguity, and that makes the involvement in a disruptive innovation activity very uncomfortable for leaders of many SMEs. Disruptive innovation starts when new entrants to the market start to focus to the underserved customers. They develop new products to meet customers' needs, and they keep developing them until it reaches a point where it can compete with the products and services of the big companies in the market. The process of the disruptive innovation that it takes time, money, and effort until one can see the desired results. Whereas incremental innovation is faster, easier and it does not require a lot of time and money. Most companies focus their energy on incremental innovation because they think that making products for regular customers is what will make profits. They believe that engaging in disruptive innovation is risky and cost a lot of time, money, and energy. In addition to that, they believe that disruptive or radical innovation is ambiguous, and the results are not guaranteed.

(1) Radical Innovation

Some researchers found that radical innovation involves and require new skills, analyzing the current markets and the needs of customers, and introducing new systems inside the organization to be able to engage in radical innovation (McDermott, C. M. and O'connor, G. C. 2002: 424).²²

achieve large scale sales volumes because they are directly launched into a mass market (Williamson, P. et al., 2020: 21).

²¹ Kaizen is a Japanese word that refer to a process of continuous improvement of the standard way of work. Continuous Improvement is one of the core strategies for excellence in production and is considered vital in today's competitive environment (Singh, J., and Singh, H. 2009: 51). Kaizen is one of methods that led to the success of Japanese companies and has been adopted by many countries around the world.

²² Radical innovation is different than incremental innovation also known as (Kaizen). Radical innovation requires more resources, and it is usually surrounded by instability and unpleasant surprises. One study found that has been done on five companies had found that proactiveness, risk-taking, autonomy, and competitive aggressiveness, lead to the development of radical innovation (Lassen, A. et al., 2006: 363).

When one reads the characteristics of disruptive innovation, one can understand why in most organizations leaders always try to avoid it. However, disruptive innovation is important and without it organizations of all sizes might face the threat of losing their share in the market place. The reason why disruptive innovation is important is because we live in an era where everything around us changes quickly and without any previous warning. This is due to the changes of the Fourth Industrial Revolution.

(2) SMEs and Disruptive Innovation

Companies are competing all the time with each other to invent new products and systems to attract new customers or to keep their regular customers. If SMEs ignore disruptive innovation and focus their energy on incremental innovation, the new entrants will turn the table and it will be very difficult for the losing companies to catch up after they lose. Disruptive innovation technologies at first provide different sources of values. At first these technologies can be unpopular among mainstream customers. However, overtime these technologies improved and become cheaper, smaller, and easy to use. This attracts the attention of the mainstream customers, and they start to shift from their preferred regular products to the newly disruptive technologies. When firms engage successfully in disruptive innovation activities, they can create a new value network and that can challenge the incumbent companies (Adegbile, A., Sarpong, D. 2018: 5).²³ When the new entrants succeeded in attracting the customers of the incumbent companies, their disruptively innovative technologies and products keep improving until the incumbent companies lose the battle and in so many cases exit the market. Engaging in radical and disruptive innovation is not something that organization can ignore. If they choose to avoid it and focus on incremental innovation, they will risk losing the battle to the new entrants to the market.

Disruptive innovation can help SMEs and big companies to be profitable and create a big name for their products among customers. Disruptive innovation might be risky and ambiguous, and the results might not show immediately. However, this should not be a reason for organizations to refrain from engaging in disruptive innovation activities. Because they will lose the benefits of disruptive innovation which include better financial situation, better customer satisfaction and better chances of long survival. Disruptive innovation gives organizations the advantage of being the attacker and not the defender. Firms that rely on incremental innovation usually are surprised with the disruptive innovation technologies, and they react late to try to

²³ One of the main characteristics of Disruptive Innovation is its ability to create new value. This means that companies that use disruptive methods to innovate can create new markets and new line of customers. One can see this in examples like Airbnb where the owners of private homes become the main providers of the service in the hospitality world and chain hotels lose the battle against the platform. This ability cannot be seen in incremental innovation because the main goal is to make small improvements on the current product or service for the main group of customers. The purpose is not to pursue a new line of customers but to keep the regular customers.

defend their market share. But, because the disruptively innovated technologies and products are cheaper and more convenient, they fail to defend their products and fail to imitate the new technologies. We said that disruptive innovation takes time, and the organizations that choose to disruptively innovate, will have the advantage of being experts in the making of the new products. So, organizations should avoid the strategy that only focus on incremental innovation, and they need to adopt disruptive innovation (Almaloy Y. 2021 and Almaloy Y 2023).

VI Innovation, Leader-Member Exchange Theory (LMX) and SMEs: Relationship, Barriers, and Stimulants

I discussed earlier the importance of innovation for SMEs and the role innovation plays in the long-term survival of companies of all sizes. Innovation is a vital element for both big and small companies and it can either help them to stay in the market or it can lead them to lose their market share and exit the market. The rapid changes that are happening in the global market because of the new technologies that are entering the market and our lives in a fast-paced momentum forced companies to innovate and change their policies and strategies in a regular basis (Ancona, D. and Caldwell, D. 1987: 1; Amabile, T. M. 1988: 124). When searching the literature, most of the research that investigating innovation barriers focuses on two main barriers. The first barrier concerns the lack of money, and the challenges SMEs face because of the lack of the necessary financial resources. The second barrier is concerning the factors that affect the importance of innovation for managers (D'Este, et al., 2012: 483). However, factors like leadership and organizational environment are vital elements for innovation. For example, the relationship between leadership and innovation is a strong one. Some researchers propose that leadership is one of the most powerful elements in innovation (Mumford, M. et al., 2002: 707).²⁴

(1) Organizational Climate and Innovation

Organizational climate also plays an important role in the enhancement of innovation performance. For instance, some researchers find that climate can help organizations to improve the implementation of creative ideas. In addition to that, it can lead to more employee and consumer satisfaction and enhance the perception of service effectiveness by customers (Aarons, G. A., and Mrfeld, D. H. 2012: 2). It is important to know that, even if organizations have the

²⁴ In his article, Dr. Park states that innovation requires the ability to think outside the box and anticipate new directions and trajectories that are different from the old ones. People usually find it hard to let go of old ways of thinking and find it difficult to abandon old traditions and customs (Park, 2016: 653). From this example, one can see the strong relationship between leadership and innovation. Changing old habits and the shift in old ways of thinking require strong and wise leadership. If the organizations did not encourage their employees to think outside the box, it would be very difficult for employees to improve their innovative and creative skills.

necessary financial resources, without proper leadership and supportive climate, innovation can be very difficult to realize. To fill the gap in the literature, in this research I will focus on leadership styles and organizational environments that enhance or prohibit innovation.

A lack of trust and cooperation is considered one of the innovation barriers in SMEs (Talegeta, S. 2014: 100). When leadership focuses on profits and ignores the well-being of employees, the innovation performance deteriorates. I mentioned earlier that the traditional leadership style that focuses only on profits and ignores making authentic relationships with employees, is not effective in producing innovative results. Leaders, who apply the traditional leadership style, rarely give importance to the ideas and suggestions of their employees. Their relationship with their employees is not strong and lacks trust. This leadership style creates a lot of damage to the innovation ability of SMEs, and to the personal relationship between leaders and members.

(2) LMX and Organizational Climate

To overcome this problem, I propose that the use of LMX leadership style can help to overcome this challenge and enhance the innovation performance in SMEs. To explain how the LMX influences innovative behavior, one needs first to understand the dynamics of the interaction between leaders and members. At first, the relationship might be formal, and the two parties engage in a relationship process or role development process to decide over time how much autonomy, decision latitude and influence members can have. Over time, some leaders and members will move beyond simple economic exchange to a higher relationship that is based on social exchange. In high quality LMX leaders and members develop mutual trust, liking and have meaningful communication (Scott, S. G., and Bruce, R. A. 1994: 584). If there is trust between leaders and members, the innovation performance will improve. Members will feel more confident in speaking their minds and suggest creative ideas. They will have more courage to challenge the status quo and present different methods and strategies that are different from the old methods. LMX can be a powerful tool that leaders can use to boost the confidence of their employees. Unlike traditional leadership style that places little importance on relationships with employees, LMX leadership style promotes trust between leaders and members. In addition to that, it places a great importance on the wellbeing of employees, which leads to the enhancement of innovation skills and job satisfaction.

(3) Organizational Creative Abilities

One of the innovation barriers that SMEs face is the organizational environments that do not support innovation. These kinds of environments usually prefer to stick to traditional leadership that is based on giving orders for employees and to the normal way of doing things and refuse to change (Cordeiro, A., and Vieira, F. D. 2012: 3). Innovation comes after creativity has been

established. Creativity is simply the new ideas that can add value to an organization or society. When the organizational environment is not safe and not supportive of employees, it can be hard to produce innovative work. When employees are not given the opportunity by their leaders to speak their mind, and share their ideas and suggestions freely, creativity and innovation can be difficult to achieve. For organizations to be innovative, leaders need to provide safe and supportive environments. Organizations need a flexible and caring environment if they want to engage in innovation activities (Kanter, R. 1988: 95).

This is where the importance of LMX leadership style comes because it focuses on human relationships and the encouragement and supporting of employees. When leaders start to focus on building healthier relationships with members, the culture of the organization changes for the better. The environment of the organization changes from a suppressive environment, to a safe and encouraging environment. In addition to that, employees will feel safe to share their ideas and this will lead to the enhancement of creativity and innovation. Sharing ideas freely is important for producing creative ideas, because creative ideas are the raw material for innovation. Some researchers have found that organizational climates that support emotional safety and dynamism and risk-taking propensity can be effective in developing innovation performance (Thiruvankadam, T. and Kumar, K. S. 2018: 165). LMX makes it possible for leaders of SMEs to be emotionally supportive of their employees and encourage them to take risks and develop their skills and deepen their knowledge about their profession.

(4) Conclusion

In conclusion, leadership styles such as LMX that encourages building healthy and meaningful relationship with employees are the basis of innovation. This is because healthy and supportive relationships lead to a healthy and supportive organizational environment. If the organizational environment is safe, healthy, and supportive of employees this will lead to the enhancement of creativity skills of employees. When creativity skills are strong and healthy, the result is enhanced innovation performance. When employees feel safe and secure to challenge the status quo and come up with new and creative ideas this will act as the first building block for innovation.

VII Leadership, Creativity and Disruptive Innovation: Relationship, Dynamism and Efficacy in SMEs

In this section I will explain the relationship between leadership, creativity, and innovation and how they interact and work in relation to each other in SMEs. In this paper I believe that leadership, creativity, and innovation are inseparable. For SMEs to produce successful innovation results they

need first to have a supportive, encouraging, and transparent leadership. It all starts with leadership and without the support of leadership there will be no creativity and there will be no innovation. For SMEs to produce innovative products and services they need creative ideas.

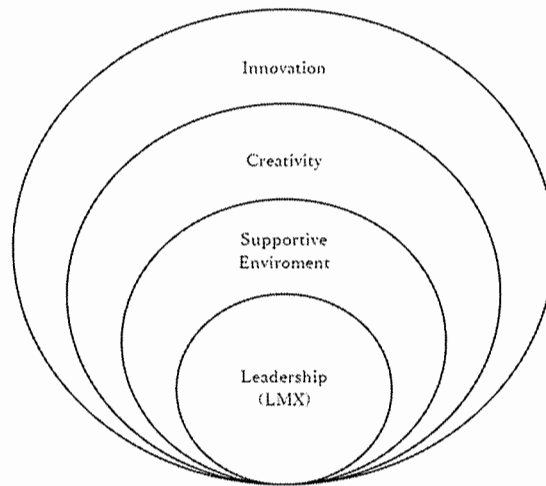
(1) Leadership support and Creativity

Creative ideas are produced by employees, and they need to develop and enhance their creative skills to do that. Creativity skills are developed in safe and secure organizational environments. In such environments leaders are supportive and provide the emotional security that employees need. When leaders do those employees in SMEs will feel satisfied and motivated to be creative and innovative. Here is what Amabile and colleagues have to say about the role of environment and leadership in the support and encouragement of employees' creativity: Like other crucial organizational outcomes, creativity, and innovation stem not only from overall firm strategy and access to resources but, more fundamentally, from the minds of the individual employees who, alone or with others, carry out the work of the organization every day. The extent to which they will produce creative—novel and useful—ideas during their everyday work depends not only on their individual characteristics, but also on the work environment that they perceive around them” (Amabile, T. M., et al., 2004: 5). The evidence above shows that for employees to produce creative ideas, they need more than the individual characteristics that enable them to be creative. In other words, they need to perceive a work environment that is supportive of their creativity talents (Almaloy Y. 2021 and Almaloy Y 2023).

(2) Leadership Definition

One of the main ideas of this research is the leadership definition that we come up with after reviewing the literature. Our definition of leadership is Leadership is the act of influencing others through building healthy, meaningful, and transparent relationship with followers that lead to the development and growth of their creative, innovative, job related skills and personal skills. I mentioned before that without Disruptive Innovation companies might lose their combat against new entrants to the market and lose their market share. Therefore, focusing on radical innovation types such as Disruptive Innovation is a necessity for SMEs if they want to survive for the long term. In other words, if innovation is necessary, then creativity is necessary too. And if creativity is important for innovation and safe and secure organizational environment is a prerequisite for creativity then leadership is the main element here. Leadership is the main element because if leadership does not provide the proper environment for creativity innovation will not be produced, and that is why I think that leadership, creativity and innovation are inseparable, and they are all important for the end result which is successful disruptive innovation.

Figure 22: LMX effect on Organizational Environment, Creativity, and Innovation



Source: Made by the author

VIII Leader-Member Exchange Theory (LMX) and Disruptive Innovation: Correlation, Interdependency and Potency

One of the hypotheses of this paper is that there is a positive correlational relationship between Leader-Member Exchange Theory (LMX) and Disruptive Innovation. Before explaining the relationship between the two components and how they react to and with each other, I will briefly explain the characteristics of each element. I will start by explaining the dynamism and nature of Disruptive Innovation and how Leader-Member Exchange Theory (LMX) can help to improve it. First, it is safe to say that Disruptive Innovation is a kind of leadership style. That is because leadership is about influencing, and what disruptive innovation does is that it invents new technologies, products and services that influence the market and change it forever. We can take the Airbnb as an example in the hotel industry. Their Disruptive Innovation model has changed the hotel industry completely.

(1) Process of Disruptive Innovation

Disruptive Innovation starts slowly at the bottom. Employees how poses the required skills and knowledge of their field, come up with new, unusual and useful ideas and inventions that can serve customers who do not belong to the mainstream customer group. These customers are called the early adopters, because they adopt the new products and services that are the result of the Disruptive Innovation of companies. At first, these products and services can be unpopular among the mainstream customers. However, the early adopters keep consuming these products or using

the disruptive services. During this time the companies that are producing these products keep developing them and improving them and make them smaller, cheaper and more convenient than other products.

After a while when the products reach a certain point of perfectionism and reach a point where they can meet the needs of mainstream customers, the mainstream customers start adopting the new disruptively innovative products. When that happens, the dominant firms start losing their customers and the new entrants to the market with their new disruptive innovation products dominate the market. The managers of dominant companies often are confused by why they lost the battle against the new entrants companies. They do everything right and they plan well, listen to their mainstream customers and invest in popular products. But what these companies are doing is just incremental innovation or Kaizen. They do not invest in Disruptive Innovation products because they are not popular among mainstream customers. By not doing that they give the chance to the new entrants to develop new products and take their share of the market (Martínez-Vergara, S. J., and Valls-Pasola, J. 2020: 2). When entrants become the dominant players in the market, failing companies find it very difficult to compete and there are companies that have gone bankrupted.²⁵

(2) Risks Involved with Disruptive Innovation

Disruptive Innovation is a long and a risky process. It takes time, effort, and money to engage in Disruptive Innovation activities. It is about investing in something that has never proven to be successful, but you do it anyway. These kinds of activities usually are intimidating, and employees do not feel comfortable to engage in something that is unclear and ambiguous. Here where the importance of LMX comes and can help SMEs to produce good Disruptive Innovation products and services. I mentioned before that high quality LMX relationship is characterized by honesty, transparency, healthy and meaningful relationship between leaders and members. In such relationships both leaders and members do their best to encourage, assist and help the other person and make sure that they get the necessary resources to do their tasks. Leaders give members respect, money and other rewards for their loyalty. Members give their leaders good job results, working hard and stay loyal to the company.

These characteristics of LMX help to create a safe and secure environment for employees in SMEs which in return enable them to engage in Disruptive Innovation activities. In addition to that, it allows them to be more creative and more courageous and have more confident to

²⁵ Disruptive Innovation has led companies such as the Kodak camera, the Bell telephone, and the Ford Model T. to vanish from the markets (Cortez, N. 2014: 175). Whole industries have been destroyed and exited from the market because of Disruptive Innovation. I argue that organizations of all sizes need to include Disruptive Innovation in their corporate strategies to avoid such negative results.

challenge the normal way of thinking and challenge the status quo. If SMEs use a traditional leadership style which is based on giving orders and expecting employees to do only what is asked of them, then the environment will not be emotionally safe which will affect creativity negatively and Disruptive Innovation. That is why in this paper I propose that the positive characteristics of LMX can be used to eliminate the bad side effects of Disruptive Innovation.

(3) Factors Hinder Disruptive Innovation

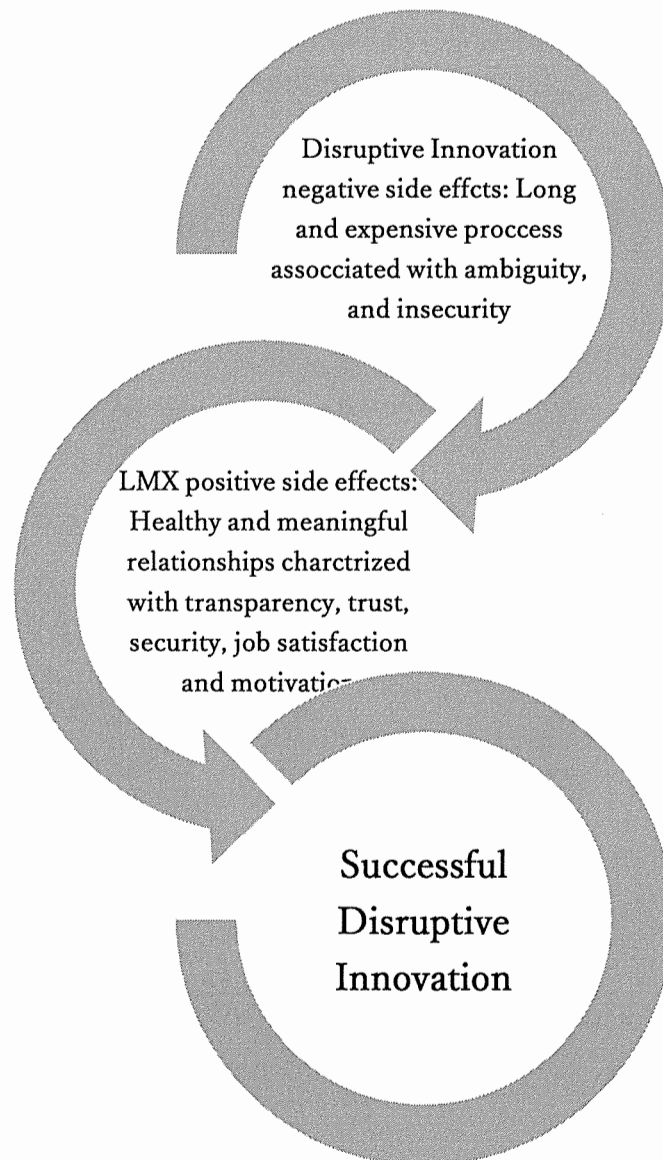
There are many factors that can paralyze companies and prevent them from successfully engaging in a disruptive innovation activity. For instance, maintaining the status quo is considered one of the reasons that prevent companies from engaging in Disruptive Innovation activities. Most companies prefer things to be the same, and they avoid change and avoid anything that may cause disturbance to their usual way of doing things. This can be very damaging to creativity and innovation because they require change in mentality and behavior. Another factor that may prevent Disruptive Innovation is related to mentality and it is when companies refuse to adopt new ideas and models of the company. This can reinforce groupthink and kills the individual characteristics of employees. Some companies do that because in doing so they avoid arguments and avoid risk, but this is not a successful strategy (Assink, M. 2006: 221).

Avoiding change and sticking to the daily routine can be bad for disruptive innovation. Also, avoiding arguments with managers or employees can lead some people to stay quiet and refrain from giving their opinions. However, the characteristics of LMX can help to ease this problem and lead to a successful disruptive innovation. For example, I mentioned above that avoiding arguments can lead to weak innovation performance, but in a high-quality LMX relationship both leaders and members have a great and meaningful relationship that employees are not afraid to say their opinions and to share their new creative ideas. In addition, high-quality LMX relationship is always transparent, authentic, and strong. This allows members to challenge the status quo and come up with new and unique ways of thinking. In high-quality relationships, both members and leaders try to protect each other and work as one team. This mentality allows them to speak their minds and engage in productive arguments. They exchange ideas and listen to each other carefully, and this allow them combine creative ideas that can be later turned into innovative products and services. Moreover, innovation can be hard to realize if employees do not perceive the environment as an encouraging place for creativity.

Through building high-quality LMX relationship with members, LMX can help to make the organizational environment more encouraging for creativity. Member will be motivated and will engage in creative tasks that will lead to innovative products and services. Lastly, Disruptive Innovation is a hard process that requires financial and human resources. It can create ambiguity

and uncertainty among members. By building high-quality LMX relationships organizations can overcome these challenges and achieve the desired goals.

Figure 23: Disruptive Innovation and LMX Dynamics



Source: Made by the author

IX The Innovation of The Fourth Industrial Revolution: How to Use LMX to Reduce the Negative Effects of The Fourth Industrial Revolution and Increase Organizational Performance

The time of the Fourth Industrial Revolution is often described by many to be an era of rapid changes and transformations. These changes are not restricted to firms, companies, and organizations. In fact, our lives, and the way we do things have changed during the last twenty years. This is because of the technology invented in recent years which has created a lot of opportunities and challenges.²⁶ However, in this paper I propose that there are some characteristics of the innovation of the Fourth Industrial Innovation that can kill the innovation process and prevent it from moving forward. Creativity is essential for innovation and without it innovation cannot be produced. This is because innovation is simply the implementation of the creative ideas produced by individuals and companies. For creativity to grow and flourish, leaders need to create a supportive and emotionally secure environment for employees. In addition to that, leaders need to promote healthy and meaningful relationships with employees. Leaders need to emphasize the importance of transparency, honesty, and positive attitude towards and among employees. This will help to increase job satisfaction and emotional security inside the organizations and as a result creativity skills will improve.

(1) Technologies of the Fourth Industrial Revolution (4IR)

When one examines the new technologies of the Fourth Industrial Revolution, one can notice that these new technologies are enforcing and popularizing the virtual worlds in favor of the natural face-to-face meetings.²⁷ Although this is a completely new concept and we still lack a complete understanding of this phenomenon, we still can tell that it is hard to build a transparent and meaningful relationship through meeting with employees online alone. In addition to that, when we look at the technologies and inventions of the Fourth Industrial Revolution, we find that many of these inventions are replacing humans with machines in factories and organizations, in order to reduce costs and increase profits. This can be harmful for creativity and innovation, because machines do not have the creative and innovative mind like humans. They can be precise,

²⁶ Technological advancement has always been beneficial for companies and societies. From reducing the time, the product or the service take, to the quality of products to speed of distribution. All these are examples of the benefit of new technological advancement. However, technology can have a negative effect on people and can lead to bad results. In one study, researchers find that scientists and engineers often disagree with philosophers of technology over whether technologies are value neutral. Moreover, they argue that technologies really can make good people do bad things (Morrow, D. R. 2014: 342).

²⁷ Virtual Reality can have some positive effects on the tourism industry. Some researchers found that Virtual reality (VR) offers tourism many useful applications that deserve greater attention from tourism researchers and professionals (Guttentag, D. A. 2010: 637). Tourism Industry can benefit from new technology by creating new value in markets that will help to attract new customers.

efficient and they can help companies to reduce costs, but they cannot produce novel and unusual ideas, because this an ability that only humans can do. In recent years and to save as much financial resources as they can, many managers have adopted new technologies that enforces and promote online working. These technologies don't help us as humans to connect in a meaningful and authentic ways. And they are certainly don't help managers in building the emotionally safe environment that is necessary for the stimulation of creativity. These virtual worlds don not allow employees and their supervisors to build authentic and transparent relations.²⁸

Using the tools and principles that LMX provide can help to eliminate and reduce the bad effect of the new innovations. For instance, one of the main principles of LMX is that it focuses on building and nurturing human relationships. This principle can be used to guide the innovation process. Innovation and leadership cannot be separate from each other, and without the support of leadership innovation can be difficult to obtain. The principles of LMX should lead all the innovation endeavors to ensure that the emotional support and the satisfaction are provided for employees which in turn will enhance their creativity skills. Any innovation process that is aiming to reduce the financial cost at the expense of building healthy relationships with employees is bad for innovation in the long run. This is because the market and the needs of customers are changing all the time, and if there are no human creativity there will be no innovation. So, it all starts with leadership because it is the main provider and supplier that can train and support creative talent of employees and after that provide the necessary resources for successful innovation. What is wrong about some of the innovations of the Fourth Industrial Revolution is that they kill the creativity by deemphasizing the importance of human contact and human relations in favor of machines and computers. Here is what Teresa M. Amabile says about the relationship between creativity and innovation, and how creativity is the first step towards innovation:

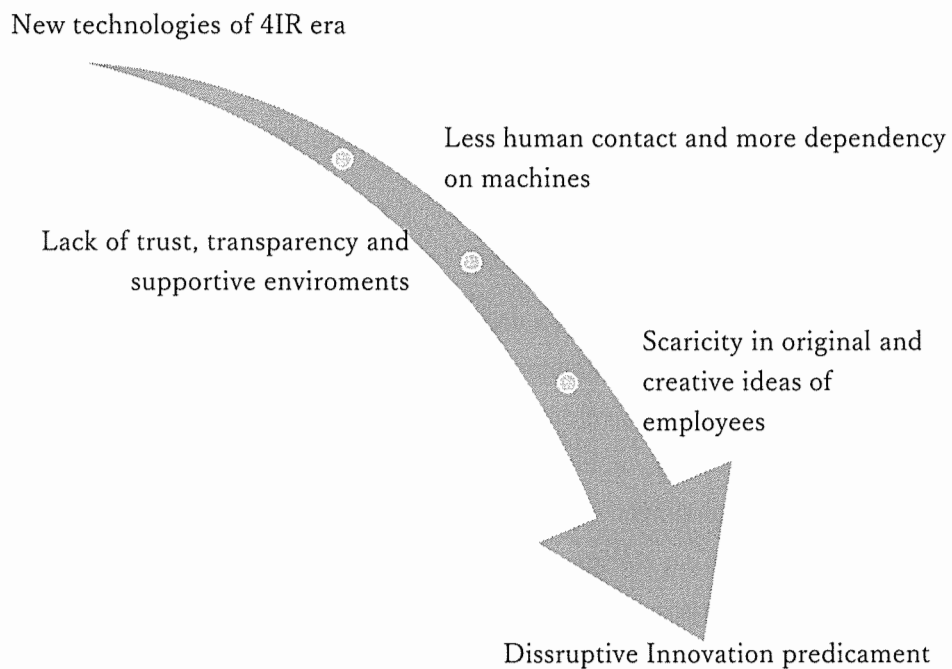
“At its heart, creativity is simply the production of novel, appropriate ideas in any realm of human activity, from science, to the arts, to education, to business, to everyday life. The ideas must be novel—different from what's been done before—but they can't be simply bizarre; they must be appropriate to the problem or opportunity presented. Creativity is the first step in innovation, which is the successful implementation of those novel, appropriate ideas. And innovation is vital for long-term corporate success. Because the business world is seldom static, and because the pace of change appears to be rapidly accelerating, no firm that continues to deliver the same products and services in the same way

²⁸ In this research I say that traditional ways of communication such as face-to-face communication is better than virtual reality communication. In organizations, trust and honesty are essential for innovation and other operational procedures. Suggesting new ideas that goes against the norm requires courage and trust. Virtual reality communication does not help people to trust each other because it does not give them the opportunity to build natural communication that leads to trust.

can long survive. By contrast, firms that prepare for the future by implementing new ideas oriented toward this changing world are likely to thrive “ (Amabile, T. M. 1997: 40).

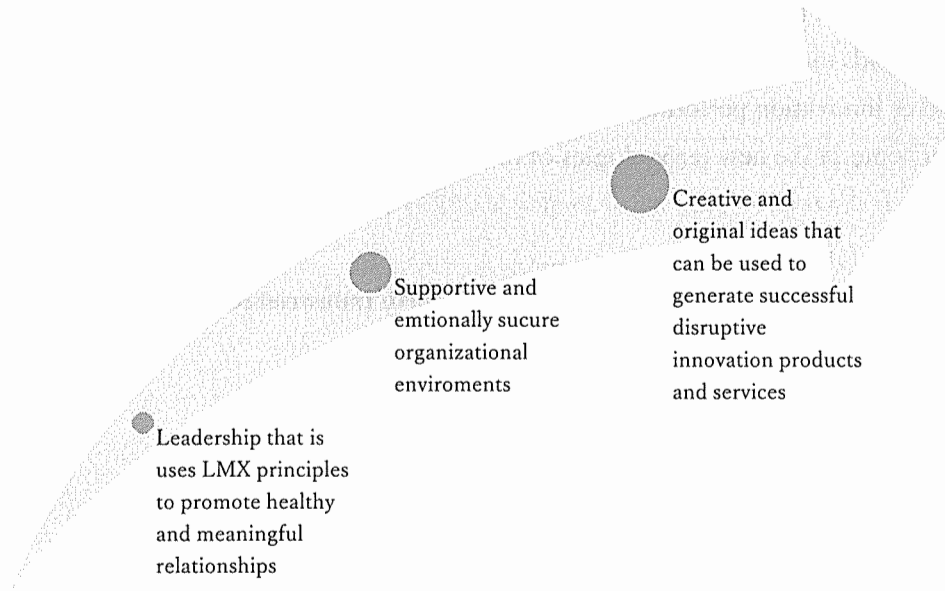
Creativity is essential for innovation, and it is considered the first step toward innovation. Organizational support and emotional security are vital to produce novel and creative ideas. Any innovation that leads to diminish and weaken this factor is considered a bad innovation and it will lead to a weaker innovation performance. The role of leadership is vital in fighting the negative side effects of some of the new technologies of the Fourth Industrial Revolution and to prioritize human relations (Almaloy Y. 2021 and Almaloy Y 2023).

Figure 24: The Negative Effects of the Fourth Industrial Revolution



Source: Made by the author

Figure 25: The Positive effects of LMX on Innovation



Source: Made by the author

Next, the theory of Disruptive Innovation and the nature, dynamic and history of it has been analyzed. In this research I divide innovation into two main types which are Disruptive Innovation and incremental innovation. Disruptive Innovation is different that incremental innovation. Disruptive Innovation usually focus on big and drastically different changes, where incremental innovation is more about development and improvements of existing products and services. The next section was about innovation barriers in SMEs, and I mentioned how LMX can be used to eliminate these barriers and improve innovation performance in SMEs. In addition to that, the positive side effects of LMX can be used to deal with the negative side effects of Disruptive Innovation has been explored. Finally, I mentioned the bad effects of the Fourth Industrial Revolution on innovation. It is bad because it does not value the human relations between leaders and members, and it aims only to reduce financial cost for companies. This can be very for creativity which in turn affects innovation in a bad way. LMX can help to overcome these challenges through building high-quality relationships that are based on honesty and respect. This can increase creativity and innovation skills and improve the overall performance of the organization.

X LMX and The Fourth Industrial Revolution (4IR): Relationship, Dynamics, Resemblance and Dissimilarity

(1) Introduction

In this section I would like to mention the relationship between LMX and The Fourth Industrial Revolution (4IR). To do that I will first talk about the characteristics of each component separately. After that I will point out the similarities and differences between LMX and 4IR. Next, the relationship between the two components will be analyzed. Finally, I will mention the mechanism in which LMX, and 4IR can be used together to help enhance Disruptive Innovation. I talked about LMX and 4IR in detail in the above sections. However, here I will focus on the points that clarify the relationship between them and the points that help to enhance Disruptive Innovation.

(2) The Unique Characteristics of LMX Style of Leadership

Simply put, LMX is the study of the interaction between leaders and followers. In the past leadership research focused only on the behavior of leaders. However, scholars started to put more importance on the way followers affect and impact leadership. LMX is based on the Social Exchange Theory (SET). The theory dictates that when one does a favor for someone the other party will usually return the favor. When leaders and members do that, their relationship moves from an “economic exchange” based relationship to a “social exchange” relationship. They keep doing favors for each other and helping each other until the relationship reaches a level where leaders and members are no longer constrained by the job description, and their relationship becomes so strong that they always try to protect each other's interests (Erdogan, B., and Bauer, T. 2014: 1-2). So, one of the most things that distinguishes LMX is reciprocity and its dependence on the take and give interaction between people.

(3) The Unique Characteristics of The Fourth Industrial Revolution (4IR)

As I explained in the Literature Review section that 4IR was the result of three past revolutions that happened before. Industrial Revolution refers to the shift in economy structure or the advancement in manufacturing industry and the shift from agriculturally based economy to mining based economy. The First Industrial Revolution started in the late eighteenth century and ended in the nineteenth century. Major developments took place in the textile, steam power and iron making fields (Agarwal, H., & Agarwal, R. 2017: 1062). These industrial revolutions helped to shape the global economy in the following years.

Now I would like to mention some of the unique characteristics of 4IR. A study done by Philbeck, T., and Davis, N. (2018), to investigate the elements that distinguish 4IR. They found

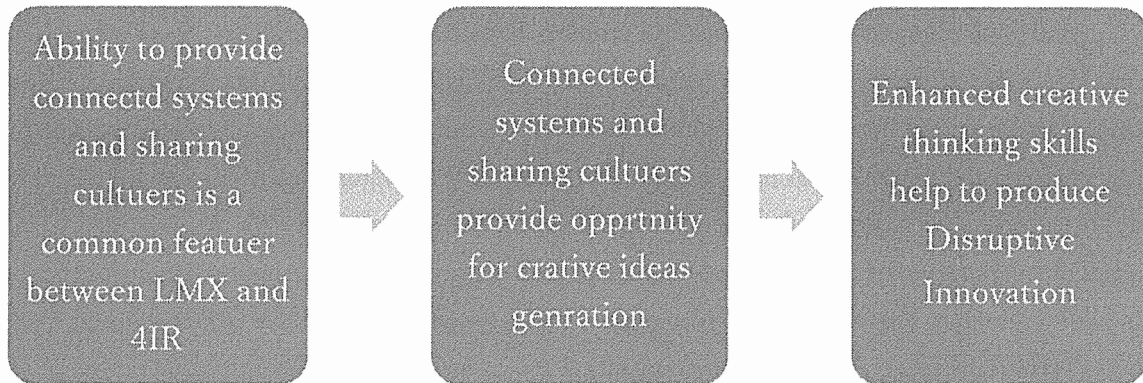
that the Fourth Industrial Revolution will have impact on the way people interact, and we will be more connected through systems. This empowered system will create many opportunities for humans to grow and thrive through stronger and complicated set of systems between individuals around the globe (Philbeck, T., and Davis, N. 2018: 17). It is clear from the description above that connectedness and interaction is one of the main points of 4IR.

(4) LMX, The Fourth Industrial Revolution (4IR) and Disruptive Innovation

I mentioned based on the data from the research above that LMX is reciprocity process between leaders and members that takes the form of give and take interaction between people. Also, I said that 4IR is characterized with connectedness and interaction between people. This is the main similarity that LMX and 4IR have in common. They provide a platform for people to connect and share ideas with each other. A study by Paulus, P. B., and Yang, H. C. (2000), that examined the effect of idea sharing and generation on organizational creativity. The study revealed that sharing and generating ideas among groups will lead to developed creativity if coupled with attention and incubation (Paulus, P. B., and Yang, H. C. 2000: 76). LMX and 4IR provide a platform for leaders and employees to share ideas and deepen their relationship.

I believe that if leaders adopt LMX leadership style and use the technology of 4IR such as AI, Cloud Computing and IoT to connect with their followers, organizational creativity will improve. This improvement in organizational creativity can be turned into Disruptive Innovation products. I mentioned before that creativity is the first step towards innovation. If used properly, LMX and 4IR can provide many opportunities for leaders and organizations to enhance their creative and innovative capabilities. In addition, 4IR technology and its ability to provide connected systems, will be a great tool by leaders to connect more with employees and build high-quality LMX. I explain in detail in the following sections how can LMX increase organizational environment safety, individual creative thinking skills, and motivation. All these factors are of vital importance for Disruptive Innovation. In summary, the relationship between LMX and 4IR can be seen in their similarity in providing a platform for leaders and followers to stay connected with each other. Also, it enables organizations to share and generate creative ideas which is necessary for producing Disruptive Innovation.

Figure26: The Relationship Between LMX and The Fourth Industrial Revolution (4IR)



Source: Made by the Author

XI Conclusion

In this section, the concept and the framework of relational leadership and its types has been explained in detail. I also mentioned the history and the development done on the Leader-Member Exchange Theory and how it changed drastically since its adoption in the early 1970s. Leadership research was focusing on the way leaders dealt with their members. After LMX the literature of research has changed, and it started to pay more attention to the role members play in successful leadership. Leadership styles that emphasize the role of human relationships is far more effective than traditional leadership that is based on giving orders to employees to do their job. Traditional leadership can be very ineffective in stimulating creativity in organizations. Leaders and supervisors treat their employees like robots, and they rarely care about their ideas and emotions. This create an environment where exchanging of ideas is not popular because employees do not feel emotionally safe to share new ideas and concepts that are different from the status quo. When it comes to the stimulation of creativity and innovation leadership styles like LMX can be way more efficient than traditional leadership. It appreciates the relationship with employees and make sure to build health and meaningful relationship with employees. This style can encourage employees to share their new and novel ideas and it helps to create a more encouraging and supportive environments.

Part III Leader-Member Exchange Theory (LMX) and Servant Leadership: Similarities and Differences

I Introduction

Leadership is a complicated topic and scholars have been studying its effect on people and organizations for decades now. However, researchers find it difficult to tell exactly what the nature of leadership is and how leaders develop their skills. Leadership is an essential component for any organization regardless of its size, type, and location. The importance of leadership lies in its ability to provide a roadmap for organization. It provides organizations with mission, vision and goals that makes it easier for members to channel their energy towards achieving the desired goals. In addition to that, it provides stability and gives the employees the strength to face hardships and helps them to be more creative and innovative.

Although leadership is vital for organizations, leaders are not the same and there are many leadership styles.²⁹ For instance, transformational leadership, transactional leadership, and democratic leadership. Some studies have found a direct relationship between leadership style and organizational performance (Al Khajeh, E. H. 2018: 2). People are different and they have different ways of thinking and different ways of looking at the world. These personal traits have a direct impact on the individual's leadership style. In addition to that, the culture, background, country, and religion also have an impact on people and therefore on their way of leading others. Although researchers in the field of leadership tend to categorize leaders into specific groups like transformational leaders and democratic leaders, we must say that not all transformational leaders are the same and not all democratic leaders are the same. According to research, for leaders to be authentic they need first to engage in a series of self-improvement strategies to be authentic leaders. These strategies or steps include self-discovery and reflection to identify the values that are consistent with who they are and are in line with their value system (Baptiste, B. (2018: 1).

Leaders need to know their higher values that they live by for them to be authentic leaders. This means that even if leaders belong to the Democratic Leadership Group for example, it does not necessarily mean that they are all the same. The reason why is because even though democratic leaders share some characteristics, they still have different values and belief systems and that has a direct impact on leadership styles of everyone. In this study I will focus on LMX and Servant Leadership, and the reason behind that is because of the many similarities LMX and

²⁹ Leadership style can have a huge impact on organizational productivity. Every leader is different and has his or her own way of influencing others. The conditions in which leaders are born and raised and the cultural and social circumstances where they grow up can affect how they interact with their environment. In one study researchers found that companies must have effective leaders who understand the complexities of the rapidly changing global environment. If the task is highly structured and the leader has good relationship with the employees, effectiveness will be high on the part of the employees (Nanjundeswaraswamy, T. S., and Swamy, D. R. 2014: 57).

Servant Leadership share with each other.

II Social Exchange Theory (SET)

Before delving into the topics of LMX and Servant Leadership, I would like to shed light on their roots first. The main concept or theory that is considered the raw material for LMX and Servant Leadership is Social Exchange Theory (SET). This theory is an exchange-based view of social behavior between individuals. The exchange process between individuals can be material and non-material things. When someone does a favor for another person, that person is obliged to return that favor. This means that human actions are affected by this kind of exchange. SET puts an emphasis on the interaction between individuals and considers the exchange they do as the main fuel for their relationship (Cortez, R. M., and Johnston, W. J. 2020: 126). For example, when someone receives help from another person, he or she can feel that they owe that person a favor. They repay that favor and both parties continue to do that until their relationship becomes strong and healthy. We can find that not only between family members, but also between friends and co-workers.

One of the many characteristics that SET has is its ability to analyze human relationships and the factors that lead to the continuity of the relationship humans have with each other. This is because SET uses what is called a cost versus reward analysis to understand how human relationships continue to thrive. This theory stems from our need as humans to exchange resources with each other to survive. This was true one thousand years ago when humans used to live in caves and hunt animals to feed their families, and still true until today where humans have devolved a lot as a society. People need to exchange resources between each other to survive, and the exchange of things can be tangible like food or money, and it can be intangible like respect and love. According to this theory, any exchange between humans is an exchange of resources, whether the exchange things are tangible like money and gifts or intangible like emotions and ideas.

Some argue that the most important things people exchange with each other are not tangible and are not monetary items. As a matter of fact, social approval and respect are considered among the most valuable things that humans exchange with each other. One can find that clear in the relationship between family members and one's significant other. Some researchers found that the concept of SET can increase organizational commitment. When employees join the organization because of its supportive environment, they work hard to repay that favor and use their skills and knowledge to achieve the goals of the company (Ahmed, A., et al., 2018: 583). Human beings feel grateful when they receive good deeds from others. When employees feel that the leaders of the organization are trying to provide a supportive and encouraging environment

for them, they get motivated and more excited to do their work. Employees will feel appreciated and valued and this will encourage them to do their best for their companies. SET is a fundamental concept in humanity throughout history and we can see its examples almost everywhere. Now, SET proposes that when individuals engage in an exchange, they actually assess the costs and benefits of each interaction. Most people try to maximize the benefits they get from the exchange with other parties and minimize the cost when exchanging resources (Jahan, N., and Kim, S. W. 2020: 87). This is perfectly fine because life is a series of exchanges of resources between humans and without this process life is impossible. It does not mean that people are selfish and only look for their self-interests and do not think about other people. It just means that without this process of giving and taking, life cannot move forward. Finally, SET provides an in-depth explanation for human behavior and does not only describe it but also assists us with a great explanation for why humans behave the way they do.

III Servant Leadership

Leadership is a complex concept that is affected by many factors like personality, culture, society, and environment. We live in a world where we experience a lack of effective leadership. The economic and social issues are getting much more complicated than before, and leaders are not dealing with them in an effective way. People and societies need leadership styles that are based on giving, caring and transparency. Such leadership styles create trust and honesty between leaders and followers and enable societies to overcome even the most difficult challenges. We can see clearly that leadership is vital not only for organizations and companies but for societies as well. One of the leadership styles that is based on giving is Servant Leadership. This leadership style started thousands of years ago. People have been appreciating those who give and contribute to their communities since ancient civilizations. It is not a secret to say that giving and serving others has a powerful effect on all of us. Some researchers describe leadership as a skill that is used in organizations or within groups. The goal of leadership is to influence followers and to mobilize them into a shared goal. In addition to that, leadership is responsible for creating a vision and a mission for followers and it must pave the way for them to be able to achieve the desired outcomes (Pawar, A. et al., 2020: 64). The role of leadership is essential in determining the success of the company or organization.

Servant leadership shares the same characteristics of other leadership styles when it comes to an end result it produces. However, what makes it different is the methods and philosophies servant leaders apply to achieve the desired outcome. Perhaps what sets servant leadership apart from other leadership styles is its focus on ethics and morality. It combines the power of leadership with ethics and good deeds and with the great outcomes that can come from serving others. Other

leadership styles can be powerful and effective, but with the absence of morality and ethics the results can be catastrophic. When one looks at servant leadership one can notice that the goal of the servant leaders is to serve others and be useful to his or her community. Servant leaders do not seek to control others nor get rewards for their services. The main goal for them is to help followers and to provide the necessary resources for them to be successful (Saleem, F. et al., 2020: 2). In Servant Leadership the leaders do not expect any reward for their service to others. The enjoyment of giving and serving others is what they seek, and it is their goal. One can find this different from other leadership styles where leaders deliberately are using techniques that will help them eventually influence their followers.

IV Leader-Member Exchange Theory (LMX)

Leader-Member Exchange Theory also known as LMX among researchers, is a theory that describes leadership through analyzing the nature of the relationship between leaders and members. LMX is a unique theory of leadership because unlike other leadership theories where the focus is only on the leaders' characteristics and personality, LMX takes another approach and focuses on the whole picture. In this theory leadership is being studied from the perspective of both leaders and members. By investigating the exchange that happens between leaders and followers, researchers will be able to unravel the mysteries of leadership and its complexities. In LMX leaders differentiate between members and treat them in different way. Those who have a high-quality relationship with leaders belong to the (in-group) and usually are treated with more care than others. The other group that has a low or normal relationship with their leaders belong to the (out-group) and the treatment of their leaders to them is not special (Buengeler, C., et al., 2021: 261).³⁰

(1) Differentiation in LMX Theory

Differentiation between members is not a negative sign of leadership. There are several reasons that make differentiation between followers in organizations a normal process and sometimes it can be beneficial. First, leaders differentiate between members to find the most loyal

³⁰ Due to some economic reasons and because of the lack of financial and time resources leaders tend to differentiate between members and prefer some members more than others. This is because some employees have can have more experience, skills, and loyalty for the organization. This allow them to be close from leaders and enjoy the receiving of resources and attention. However, A group of researchers have examined the psychological effect on employees regarding the phenomenon of the (in-group) and (out-group). They found that differentiation divides the team, where the high-quality relationship group (in-group) benefits from receiving the resources of the leader while the lower quality relationship group (out-group) suffers from the resource constraints (Estel, V. et al., 2019: 1). Sometimes differentiation can affect some members negatively, but it is a good strategy in general that keep loyal and skillful workers motivated.

and talented members and to use their skills to help their organizations. This can have a positive impact on the whole organization including the out-group members. By treating them with care the leaders send a message to the in-group members that their skills and talents are appreciated, and they are selected to be among the members that have the trust of their leader. This can motivate them and encourage them to be more productive in their organizations. Second, leadership is difficult, and leaders are bombarded with many responsibilities and tasks. This means that the resources they have are like time and money are limited.

Differentiating between members help leaders to give their limited resources to those who help the organizations the most. It is almost impossible for leaders to treat all members equally when it comes to the provision of resources. Doing this will damage the assets of the company and it may lead to negative results. That is differentiation help leaders to give their precious and limited resources to those who can really be a valuable member for their organizations. Third, through differentiation a message is sent to the out-group members that working hard and showing passion for the company can help them to be among the in-group members. This can work as a motivational message for them and assist them to be more productive.

(2) Benefits of Differentiation in LMX Theory

The nature of differentiation in LMX and how the dynamics of this amazing process can be helpful for leaders to motivate their members and distribute their resources efficiently. In LMX the high-quality relationship between leaders and members can be characterized with friendship, loyalty, mutual respect, and transparency (Sa'adah, N. and Rijanti, T. 2022: 114). On the other hand, the out-group members can have a shallow relationship with their leaders and is governed by what is written in the contract of their jobs. The in-group members can be more creative and innovative that the out-group members and their motivation level can also be higher. This is because they get the support of their leaders and enjoy their attention and resources. It is important to mention that the building of a meaningful relationship can take time and effort.

Members need to prove for their leaders that they deserve to be in the in-group members, and they deserve the support of leadership. Leaders also need to show members that they are ready to invest in the relationship and are willing to give the necessary support for their followers. Through the exchange of deeds, help, respect, and loyalty the leader and member can build a relationship based on mutual benefits. Through such relationships leaders can gain the loyalty and use the talents and skills of their members to their benefit. On the other hand, members can enjoy the attention and the resources of their leaders. This can help them to gain more confidence and trust in their abilities as well as their leaders.

LMX is based on the mutual benefits both leaders and members get from building a meaningful relationship with each other. The relationship is characterized by honesty, loyalty and

transparency. Through such relationship leaders, members and organizations can thrive on their journey to achieve the desired goals. In addition to that, LMX gives us a clear and holistic approach to study the dynamics of leadership. Finally, LMX is not giving us a unique perspective on leadership and help researchers to understand its theoretical importance. But also provide us with practical advice around the best methods both leaders and members can use to build an ideal relationship to help them be more productive and effective.

V Similarities and Differences between LMX and Servant Leadership

(1) Similarities

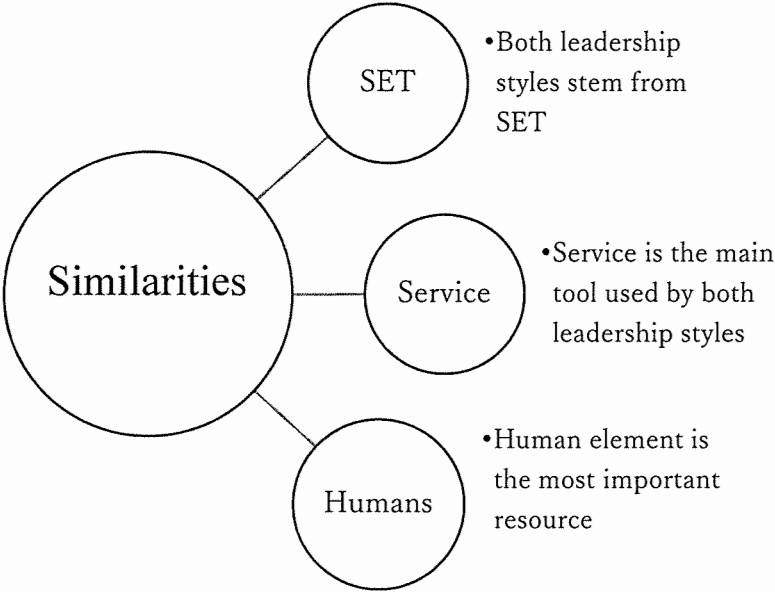
Although both leadership styles are rooted in SET, but there are some differences between them. I will start first by analyzing the similarities and then after that mention the differences. First, both leadership styles come originally from the concept of SET. This means that service is the main component in these leadership styles. Doing and receiving service is the hall mark of LMX and Servant Leadership. Second, both leadership styles consider the human element to be the most vital element in their leadership endeavors. Encouragement, empathy, sympathy and building honest relationships with followers through doing service and good deeds for them is something common between these two leadership styles. Thirdly, LMX and Servant Leadership aim to develop the skills and talents of their followers through providing them with the necessary resources they need. The goal is always to assist and help followers to be better individuals in their communities through providing them with anything they need to achieve their goals. The rationale behind that is that when members are strong, happy, and passionate this will result in the organization or the company to be more able to achieve the desired goals.

(2) Differences

Now, that I talked about the similarities I would like to talk about the differences. One, the major difference between these two leadership styles is that while servant leaders are serving while expecting nothing in return, LMX leaders serve their members and expect to do something in return. For example, servant leaders do a lot of services for their communities or followers and do not ask them for anything in return. They do that because they want to serve others and be helpful and active members in their societies. This of course can encourage members to appreciate their servant leaders, but the main goal of servant leaders is serving others do not control them through service. On the other hand, we find that in LMX leaders have actual work contract with members and when they do something good for them leaders expect members to repay that good deed. This is because if leaders did not expect members to repay the good deeds, the leaders may waste the valuable resources of their company on nothing.

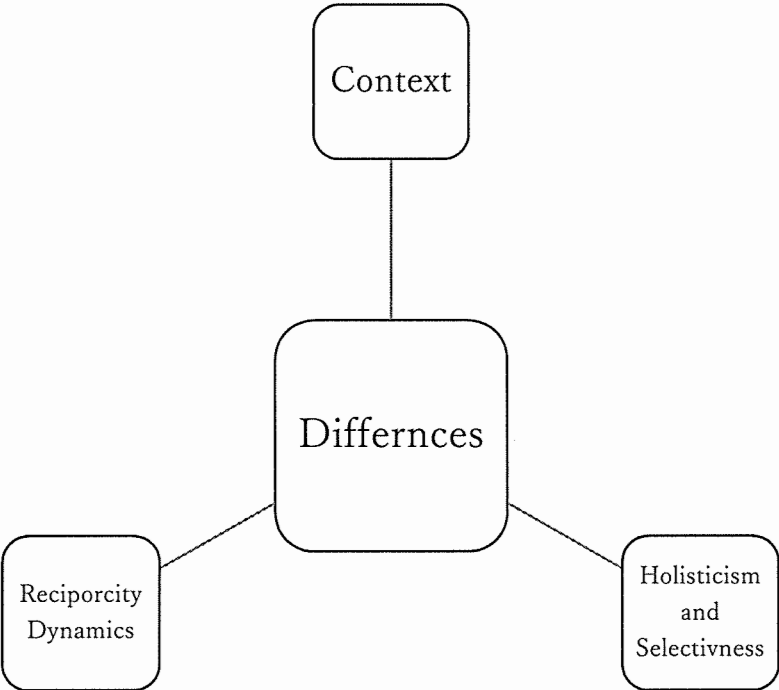
The reciprocity behavior that controls the relationship between leaders and members is considered the main characteristics of LMX leadership style. Two, another main difference between Servant Leadership and LMX is that while servant leaders serve anyone that need help, we find that LMX leaders serve only people in their company. Not only that but also LMX leaders choose a few people in their company to build a high-quality relationship with them. In short, we can say that Servant leadership is holistic and include all people where LMX is selective, and leaders choose only a few people to build a high-quality relationship with. Three, another major difference between the two leadership styles is the context. In Servant Leadership the exchange of services can happen anywhere between the leaders and followers. It can be in a company, a religious institution, in a neighborhood or even in social clubs. The reason why is because there are no work contracts between the leaders and followers and the initiative usually begins with leaders who are willing to provide services for others at no cost at all. However, we can find that the phenomenon of LMX only happen when there is an actual work contract between leaders and members. Mutual benefit is a condition that needs to there for the LMX dynamics to happen and takes place in the organization. Finally, we can say that these six similarities and differences is what distinguish Servant Leadership from LMX and make them two separate styles each with its own unique characteristics.

Figure 27: Similarities Servant Leadership and SET



Source: Made by the author

Figure 28: Differences between LMX and Servant Leadership



Source: Made by the author

VI Servant Leadership and LMX: The Role They Play in Enhancing Disruptive Innovation in SMEs

Although Servant Leadership and LMX are similar leadership styles, I choose LMX in this study. I argue that LMX is more effective in enhancing Disruptive Innovation in SMEs than Servant Leadership. To explain why LMX is more effective than Servant Leadership in enhancing Disruptive Innovation in SMEs, I will first clarify the characteristics of both leadership styles and compare them with the characteristics of SMEs. After Analyzing the characteristics of both leadership styles and compare them with those of SMEs, I will explain the reason behind the efficiency of LMX in enhancing Disruptive Innovation in SMEs.

(1) Servant Leadership

Servant Leadership has five main characteristics that distinguish it from other leadership styles. These characteristics are altruistic calling, emotional healing, wisdom, persuasive mapping, and organizational stewardship. Altruistic Calling refers to the ability to put other people needs before one's needs. It is the hall mark of Servant Leadership, and it allows servant leaders to be influential among their followers. The second characteristic of Servant Leadership is emotional healing, and it relates to the emotional well being of followers. Servant Leaders are empathetic towards their followers emotional needs and personal challenges. The third characteristic is wisdom which refers to the ability to pick cues from the environment and to recognize possible consequences and implications of their observations. Fourth, Persuasive Mapping means that leaders mental models and sound reasoning to encourage lateral thinking in followers. The last characteristic is Organizational Stewardship which refer to the ability of Servant Leaders to encourage followers to give back to the community and be active members in their communities (Barbuto, J. E., and Hayden, R. W. 2011: 24-26).

(2) Servant Leadership and Disruptive Innovation

After reviewing the characteristics of Servant Leadership, I will now clarify the reason behind its inefficiency in enhancing Disruptive Innovation in SMEs. The unique points of Disruptive Innovation products and services include having a low value at first and making its way up the market to replace popular products. This process takes a lot of time and effort and is usually surrounded by a lot of ambiguity and uncertainty. Even though some of the characteristics of Servant Leadership such as Persuasive Mapping might help when engaging in Disruptive Innovation, this does not mean that Servant Leadership works well with Disruptive Innovation. For instance, Altruistic Calling which is one of the characteristics of Servant Leadership can be a hurdle to Disruptive Innovation. The reason is because Disruptive Innovation requires a lot

attention and patience from the leader to focus on the growth process of the product or the services. Focusing internally on the employees' emotions is a good thing, but it can distract leaders from focusing externally on their products and focusing on the reaction of markets and customers towards their products. Another reason why Servant Leadership is inefficient in enhancing Disruptive Innovation is because Servant Leadership is based on the notion of giving without expecting anything in return. Servant leaders serve others for the sake of helping them and because servant leaders aspire to be productive members in their societies. I argue that Servant Leadership works best in Non-Profit Organizations. For instance, volunteer organizations, environment protection institutions, and public charities. The main principle of Servant Leadership which is based on giving without the expectation of receiving something in return is not suitable in competitive market environments. In tough market environments leaders should expect followers to give something in return. Leaders need to serve followers and at the same time expect them to return the favor. However, servant leaders can perform well in public charities. In such organizations, the competition is not like the one in the business world and leaders can focus internally on the emotional well-being of employees. In addition, servant leaders can provide their help and services to anyone because the main motivation for them is to be a server for others and be helpful for the members of society.

On the other hand, LMX can be more efficient than Servant Leadership in enhancing Disruptive Innovation. Unlike Servant Leadership, LMX focuses on high-quality relationship with those who can be useful for the organizations. LMX leaders do not serve others without expecting anything in return. They choose talented and experienced members and form a high-quality LMX relationship with them. In such relationships, both leaders and members give and take in the relationship. Members give their loyalty and expertise to leaders and in return they receive financial incentives, attention, and respect from leaders. The qualities of LMX are suitable for Disruptive Innovation that is usually found in tough business markets. When engaging in Disruptive Innovation activity, both leaders and members need to invest a lot of time and effort to be successful. If leaders just serve and give others without expecting anything in return, Disruptive Innovation can be difficult because it requires both leaders and followers to be active. In high quality LMX leaders and members form a strong relationship based on honesty and transparency. This means sharing some difficult information regarding the business is more important than the emotional well-being of members. Especially in the case of Disruptive Innovation where the organization invests a lot of money, time, and effort to make their product popular and replace the existing products. In such situations, a lot of difficult emotions can arise because success is not guaranteed and if leaders pay attention to emotions they may be distracted from their goals. For LMX leaders the main goal is to help members so that members can help the organization to achieve its goals. Emotional well-being and serving others are important, but

for LMX leaders they come after achieving the goals of the organizations which is suitable for tough markets and Disruptive Innovation.

VII Conclusion

In this part I explained in detail the characteristics of Servant Leadership and LMX and the similarities and differences between these two leadership styles. I started by explaining the origin of SET and its effect on both leadership styles. SET theory is an exchange-based view of social behavior between individuals. The exchange process between individuals can be material and non-material things. When someone does a favor for another person, that person is obliged to return that favor. This means that human actions are affected by this kind of exchange. Servant leaders do not seek to control others nor get rewards for their services. The main goal for them is to help followers and to provide the necessary resources for them to be successful. After that we investigated LMX and said that LMX leaders differentiate between members and treat them in different way. Those who have a high-quality relationship with leaders belong to the (in-group) and usually are treated with more care than others. The other group that has a low or normal relationship with their leaders belong to the (out-group) and the treatment of their leaders to them is not special. In conclusion, although both leadership styles share the same roots and same method which is serving others, the way each leadership is trying to achieve its goals differ and the context and the tools are also different.

Part IV Data Analysis of The Saudi and Japanese Tourism SMEs in the Fourth Industrial Revolution

I Introduction

In this research a qualitative methodology will be utilized to analyze the data received from participants. Due to some various circumstances, I used an online questionnaire to conduct this research. The data was taken from Saudi and Japanese Tourism SMEs, and the research areas were Makkah Region in Saudi Arabia and Kansai Region in Japan. The period was between March 1st and April 15th in 2022. The questionnaire contains 16 questions, where the first two questions were about personal information. The participants need to write their names and their contact information. The remaining 14 questions were about the elements that the research is investigating. Factors like leadership, creativity, innovation, organizational environment, and the technology of the Fourth Industrial Revolution were all included in the questionnaire. The participants completed the questionnaires individually and each participant was given the freedom to answer the questions with their own point of view. In the next section I will explain in depth the meaning behind each question and the rationale for selecting each question. Also, I will mention in detail the reason behind the selection of this research methodology.

Due to certain inevitable circumstances, questionnaire methodology was the best way to conduct this research and to analyze the data that was obtained from participants. The questionnaires were translated into three languages: English, Japanese and Arabic. This research is written in English, but the research area takes place in Saudi Arabia and Japan. That is why it was necessary to include an Arabic and Japanese translation for the questionnaire for participants. All participants were given the same questionnaire and they answered the same questions. As mentioned above, the companies that were selected from both Saudi Arabia and Japan were within the chosen research area. The participants were given clear directions that the companies must be within the limits of Makkah Region and Kansai Region. Finally, a model will be presented that summarizes the result that was taken from the questionnaire.

II Questionnaire of the Study

As mentioned above, I used an online questionnaire to get the data from participants. The questionnaire starts with an introduction about the research and the areas it covers. It gives general information about the objectives of the research and the kind of sample that I am interested in. After that it explained to participants the rules that they need to follow when answering the questions. It was made clear to participants that the information they share is going to be used

only for research purposes and will not be shared with a third party. The participants after that write their personal information such as name, email, and the name of the company.

The questionnaire contains 16 questions, and each question has its own objective. The first question asks participants about the company and the products and services they provide. This is a preliminary question, and it paves the way for participants to provide more information about the company. Also, it gives me the opportunity to analyze the different products and services each company contributes to the market. Although all the companies operate under the umbrella of the tourism industry, each company provides different and unique products and services for customers. Even if they happen to provide the same services or make the same products, each company tries to make modifications to its products to make it different and unique and to distinguish its products from other products in the market.

The second question asks participants about the date of establishment of their organizations and the number of employees. This provides me with information about the history of the organization and the actual size of it. The history of the organization is important because the organizational climate is a mix of history, tradition, culture and value systems. All these factors influence organizations and including them in the analysis of data gives more depth and clarity when presenting the results. The number of employees shows the size of the company and whether it is a small or a medium enterprise. Small and medium enterprises belong to the same category, however sometimes the results can be different, and this question helps the researcher to identify these changes.

The third question asks participants about their positions in the company and the nature of their job. This question is important, because the position has a direct impact on the way employees look at their company. Different positions bring with them different tasks and responsibilities, therefore different point of views. People who have leadership positions and people who have lower positions have different viewpoints and different perspectives. The information that I will get from this question will help to clarify that. The fourth question seeks to investigate participants' point of views regarding the changes that are happening in the market. The question can get participants to analyze the market and the different waves of change that hit it from their own perspective. It allows me to study the condition of the market in the past and present through analyzing the data from participants. And it provides an opportunity for me to study the changes of leadership in the past and present through analyzing the responses of participants to this question.

The fifth question is regarding leadership style that is considered suitable for the tourism industry from the perspective of participants. It asks them about the best leadership method they can use to lead their organizations. This question is very important because of the following reasons. One, this study is investigating the role of LMX on Disruptive Innovation in the age of

the Fourth Industrial Revolution. In the field of leadership there are a lot of leadership styles, and this question will allow me to know what kind of leadership style each participant uses. From studying their answers, I will get a clearer picture on the effect of their leadership styles on innovation. Secondly, the question encourages participants to think about the leadership method that best works for the tourism industry in small and medium enterprises. The different answers that I will get will help them to analyze the similarities and differences between the Saudi and the Japanese companies.

The sixth question investigates the role of relationships and their meanings for participants in the context of their organizations. Again, the present study aims to investigate the role of relationship-based leadership style on innovation. Participants share their thoughts on the ideal relationship between leaders and followers. Here the cultural factor may come into play since the participants operate in two different cultures. They will answer the question by clarifying the best values and principles that should govern the relationship between leaders and members. This question will interact with other questions that analyze innovation abilities, and I can find the relationship between the two concepts clearly.

Question number seven digs deeper into the concept of innovation from the point view of participants. It asks them about the possibility of leaders and managers to have an impact on innovation in their organizations. It gets them to give details about the way leaders and managers can mobilize innovative activities in their companies. The answers to this question will show how leaders in tourism small and medium enterprises in Saudi Arabia and Japan think about the relationship between leadership and innovation.

The eighth question delves into innovation types that each organization focuses on. As mentioned earlier, in this study innovation is divided into two main types. The first type is disruptive innovation where the focus is on making completely new products that require big changes in the products or the services that organizations provide for their customers. The second type is incremental innovation where the aim of producers is to make improvements on their products and services. Since the questionnaire was distributed through the internet to companies that operate in Saudi Arabia and Japan, the answers will reveal the amount of focus on disruptive and incremental innovation activities in both countries.

Question number nine asks participants directly about their use of new technologies such as robots, cloud computing and the internet of things. A part of the current study is the investigation of the role that the new technologies of the fourth industry revolution play in leadership and innovation. The technologies that came because of the 4.0 industry have a huge impact on our life and work style. That is why it is important to see exactly how the fourth industry revolution and its technologies are affecting leadership and innovation in the tourism industry. One of the benefits of asking this question is that it will show which companies are using these technologies, in what

area and for what purposes.

Question number ten is a follow up of the previous question and it seeks to investigate the usefulness of these technologies in enhancing innovation from the perspective of participants. Companies and organizations that use the new technologies will be able to give more details on their effectiveness when it comes to innovation. Also, it will show how much dependency these companies have on the new technologies and whether that might affect the human factor in these organizations.

Question number eleven asks participants about their opinions regarding the importance of relationships and innovation in organizations. Participants will give their perspectives as leaders on whether there is a relationship between high-quality relationships between leaders and followers and the enhancement of innovation capabilities of organizations. It investigates the role of healthy and transparent relationships on building and providing a platform for organizations to be innovative.

One of the main purposes of this question is to uncover the relationship between LMX and innovation. Leaders who use a leadership style that is based on human relationships will share their way of looking at this unique relationship between relational leadership and innovation. This is very valuable for me to see how different leaders from Saudi Arabia and Japan look at this relationship. The following question focuses on the organizational environment and the support and encouragement it gives for creativity and innovation. Without the support of leaders, the organizational environment cannot provide the support and help employees need. Leadership is essential when it comes to creating a place for employees that is equipped with necessary tools that will help them to be productive and creative. That is why this question is asking participants about their opinions regarding the ideal organizational environment that will eventually produce the desired outcomes. Taking into consideration the research area, the answers might differ since participants come from different cultures and backgrounds. However, this will help the researcher to identify the similarities and differences between the two countries and clarify their way of looking at leadership and innovation. In addition to that, the answers of participants will reveal the different ways leaders do to build an environment that is supportive of creativity and innovation.

Finally, the last question gives the opportunity for participants to add anything they want to say that was not included in the questionnaire. Participants can give their own opinion about anything that they think is valuable and should be said. It gives them the opportunity to clarify anything that they think was not mentioned in the questionnaire and allows them to comment on the questions if they have anything to say about them.

III The Importance and the Objectives of the Questions of the Study

The following chart will show the questions that has been used in the questionnaire and the reason behind the selection of each question.

Table 4: Questions of the Study

Questions	The Importance of the questions
First of all, tell us about your company? What are the products or services your company provide?	A preliminary question and it paves the way for participants to provide more information about the company.
When was it established? How many employees work for the company?	This question provides for the researcher information about the history of the organization and the actual size of it.
What is your position in the company?	This question is important, because the position has a direct impact on the way employees look at their company.
How do you find the market these days and is it different than before? How?	The question can get participants to analyze the market and the different waves of change that hit it from their own perspective.
How do you describe the leadership style that you think fits best with your business?	This question is regarding leadership style that is considered suitable for the tourism industry from the perspective of participants.
How would you describe the ideal relationship between managers and employees? Why?	This question investigates the role of relationships and their meanings for participants in the context of their organizations.
Do you believe that leaders and managers can affect innovation? If so, how?	The question digs deeper into the concept of innovation from the point view of participants.
Do you think making small improvements on popular products is more important than inventing new products? Why?	The question delves into innovation types that each organization focuses on.
How often do use the new technology like robots, cloud computing and internet of things?	The question asks participants directly about their use of new technologies such as robots, cloud computing and the internet of things. A part of the current study is the investigation of the role that the new technologies of the fourth

	industry revolution play in leadership and innovation.
Do you think these technologies can make your company more innovative? How?	This question is a follow up of the previous question and it seeks to investigate the usefulness of these technologies in enhancing innovation from the perspective of participants.
Do you think these technologies can replace humans in terms of producing innovative products and services? Why?	It will show how much dependency these companies have on the new technologies and whether or not that might affect the human factor in these organizations.
Do you think that healthy relationships between managers and employees can be helpful for innovation? Do you think there is a relationship?	Participants will give their perspectives as leaders on whether or not there is a relationship between high-quality relationships between leaders and flowers and the enhancement of innovation capabilities of organizations.
How would you describe the ideal organizational environment? And how it can support creativity and innovation?	The following question focuses on the organizational environment and the support and encouragement it gives for creativity and innovation.
Any final thoughts about any of the above questions?	The last question gives the opportunity for participants to add anything they want to say that was not included in the questionnaire.

Source: Made by the author

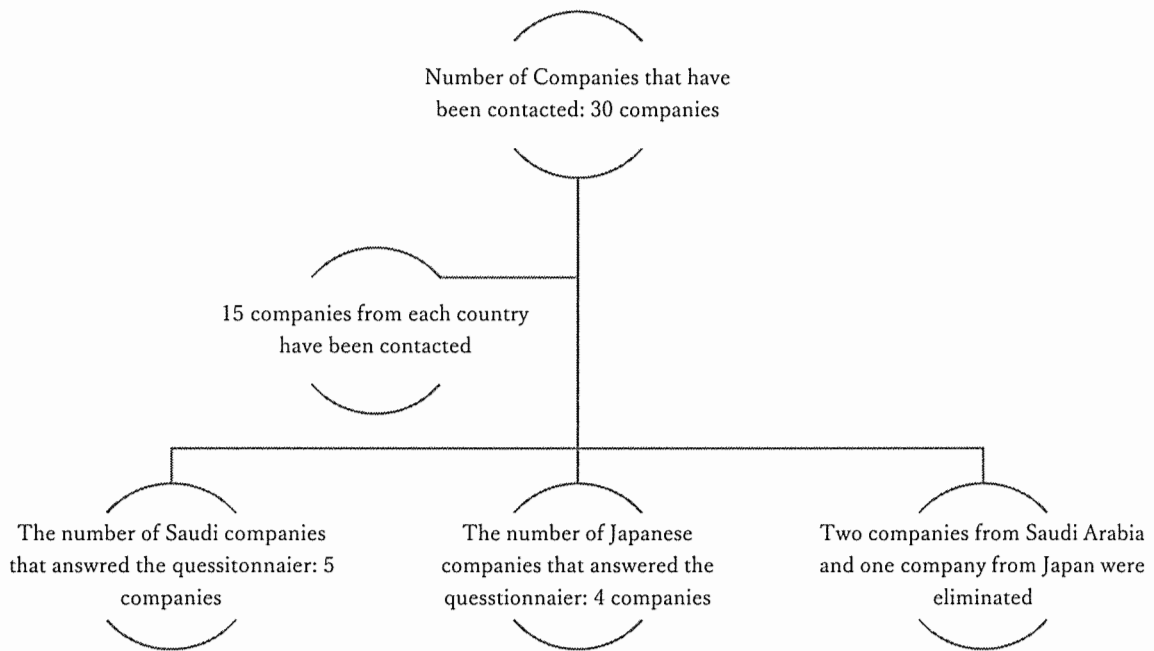
IV Rate of Response of The Saudi and Japanese Companies

The COVID-19 Pandemic was one of the challenges that I faced during the writing of this paper. Since my research is investigating the tourism SMEs in Saudi Arabia and Japan, The COVID-19 Pandemic caused a lot of companies in the tourism world to shut down their operation. I contacted a lot of companies in Saudi Arabia and Japan, but most companies did not answer. In total I contacted thirty companies in Saudi Arabia and Japan, fifteen companies in each country. the companies in Saudi Arabia that have answered the questionnaire were five companies. However, two companies were eliminated because they did not complete the questionnaire. In Japan, four companies have answered the questionnaire, but one company was eliminated because

they did not complete the questionnaire. I present the rate of response in the diagram to show the number of companies that I contacted for this research.

The selection of three companies in Saudi Arabia and three companies in Japan was based on the following reasons. One, the chosen companies answered the questionnaire completely and did not leave any unanswered questions. Two, all the six companies from Saudi Arabia and Japan belong to the tourism industry which serves the purpose of this study. Three, the companies from both Saudi Arabia and Japan are considered SMEs which are the main target for investigation in this study. In summary, the completion of the survey, operating in the tourism industry and fitting the requirements of SMEs were the reasons for selecting three companies in Saudi Arabia and three companies in Japan.

Figure 29: Rate of Response



Source: Made by the Author

V Data Analysis of The Saudi and Japanese Companies

In this section I will analyze the data obtained from participants. In the first section the I will analyze the data that came from the Saudi companies. During the analysis of the data, abbreviations of the participants' names will be utilized instead of mentioning their real names. After finishing from examining the data of the Saudi Arabian companies, I will start looking into the data that has been obtained from the Japanese companies. The same pattern that is going to be used for all the companies in Saudi Arabia and Japan. After examining all the data from all

companies, I will start a new section where I will start looking for the similarities and differences between the answers of participants. The hypothesis of this research will be tested against the answers of participants to determine whether they are valid. Also, a model will be used to summarize the answers of participants and to show the characteristics that both the Saudi Arabian and the Japanese companies have with each other. Finally, a conclusion will be drawn to summarize the results and give a final review on the data.

(1) Saudi Companies: A. B.

As mentioned above this section will be dedicated to the analyses of the data obtained from participants and companies in Saudi Arabia. The first participant who will be given the symbol A. B. is the President of Aid Bdar for Motamreen Services. The company provides a variety of tourism activities and specializes in religious tourism. The company was founded in 2016 and the number of employees is 25 persons. The company is in Makkah city which belongs to Makkah region in the west side of Saudi Arabia. When A.B. was asked about the changes that affected the market his response was affirmative. He thinks that the pandemic of the New Corona Virus has made major changes in the tourism industry. He said that because of the ramifications that was caused by the virus, the process of issuing tourism visas for tourists has become strict. One of the innovative ways that has been done to solve this problem is to make the issuing of applications and tourism visas completely online. This can be seen as Disruptive Innovation as this is something radically new and serve unserved customer.

The participant answer to the question regarding the best leadership style that fits tourism industry was related to managing financial assets in an efficient way. He also believes that selling different services in packages to provide discounts for clients is a good way for leadership in tourism industry. I noticed that he focuses on finances as the main factor for effective leadership. The next question was regarding the ideal relationship between leaders and employees in organizations. He thinks that leaders are distinguished by their diverse experience in the field of tourism. Also, he believes that leaders should be responsible, have a good sense of humor and be firm if needed. I notice here that the participant believes that experience in the field is what separates leaders from others in the company. In addition to that, he believes that the leaders should be nice and close from employees, but at the same time be strong and firm when the situation calls for it.

He also thinks that diversity in experience give leaders the ability to be creative and innovative. He says that people with limited or no experience do not hold leadership positions. Again, I find here that the participant is given a huge importance for experience as a main tool that distinguishes leaders from members and enable them to be creative and innovative. When asked about innovation and whether making improvements on popular products and services is more

important than making totally new ones, he says that the focus usually is on making improvements on popular products and services. However, he believes that in case the company decided to produce a new product or service then that means the new product is more important than the current one.

The participant acknowledged the fact that the company is using the cloud computing services. They also are looking into using Virtual Reality Technology to provide guided tours for tourists. Here one can see that the tourism companies are already using the technology of the 4.0 Industry like cloud computing and are thinking of implementing Virtual Reality as well. When the participant asked about the effect of these technologies on innovation, he says that there is an effect. However, he doesn't think that technology can replace humans when it comes to the process of coming up with creative ideas. He believes the human element is necessary in creativity. He thinks that healthy and meaningful relationship between leaders and members can have a positive effect on creativity and innovation. Regarding the ideal organizational environment that supports creativity and innovation for employees he says that if the employee is happy and proud of his work that means the environment is healthy and it supports innovation.

(2) Saudi Companies: J. S.

The second participant will be given the symbol J. S. which is a representation of his first and last name. The company provides a lot of services like providing buffet services for customers. The company was founded in 2019 and the number of employees is 29. The participant is the president of the company. The participant believes that the market has changed for a lot of different reasons like the changes in governmental policies, the improvement in people's awareness, the high prices of goods and services, wars, and Corona Virus. Unlike the previous responses where A. B. only focuses on coronavirus, I found that J. S. is giving us a bigger picture when it comes to the reasons behind the market changes. He believes that leadership is different than management. And following the orders of the government is very important for success.

He believes that in these times where technological changes are happening rapidly, leaders should be patient and work as one team with their members. He says that using the Saudi vision of 2030 and creating a competitive environment that focuses on ethics is vital for effective leadership. He also believes that leaders should prepare their followers to be loyal and that their behavior is reflective of the company. One can see that the answer here is different, because the first participant mentioned experience as the main element, where the second participant mentioned different elements like working as one team, patience and build loyalty among employees.

When asked about the ideal relationship between managers and employees J. S. says that working in the private sector is different than working in the public sector. He believes that the

pressure is greater in the private sector than the public sector. He also believes that sometimes leaders should forgive employees when they make a mistake and give them another chance because humans always make mistakes and learn from them. Here J. S. is mentioning the part of forgiveness as an element that can enhance the relationship between leaders and followers.

He believes that diligence behavior, creating and testing ideas, imposing quality, and safety measures, do not make promises that one cannot keep, and making self-improvement workshops and seminars are tools leaders can use to enhance creativity and innovation. J. S. is using a holistic picture that uses ethical behavior and self-improvement seminars as instruments leaders can use to impact innovation in their organizations. For incremental and disruptive innovation, he believes that both types are important. He also says that in their company they use the new technologies and thinks that it influences innovation in their company.

However, J. S. believes that the technology can replace humans in terms of producing creative ideas. But he says that the system was made by the humans, and it can be changed whenever it is needed. J. S. believes there is no doubt that the healthy relationship between managers and employees can lead to positive innovation results. He also thinks that job security is vital for an ideal work environment. And creativity and innovation should be supported financially and spiritually too. Finally, he believes that there are a lot of changes in the tourism industry in Saudi Arabia and the country is moving steadily towards being one of the best countries in the world in digital transformation.

(3) Saudi Companies: A. D.

The last participant of the Saudi sample will be presented as A. D. to refer to him. He works for a company that organizes tourism events and provides food services. The company is small and belongs to King Abdulaziz University.³¹ The number of employees is 8 employees, and the company was founded in 2019. A. D. works as an organizer for the events that the company organizes and works as a manager too. He is responsible for connecting the company with other clients and being representative of the company. A. D. finds that the coronavirus pandemic has a huge effect on the tourism industry. However, according to him the situation now has improved, and things are going back to normal. When asked about the ideal leadership style he thinks that putting yourself in the same position as the employee or the customer will help to understand them better and look at things from their perspective. One can see here that A. D. is referring to empathy as an effective tool to be used by leaders. A. D. thinks that empathizing and sympathizing with others

³¹ King Abdulaziz is the founder of the modern Kingdom of Saudi Arabia. King Abdulaziz University (KAU) is located in Jeddah City in the Western side of Saudi Arabia. It was founded as a private university, but then was turned into a public university. King Abdulaziz University (KAU) was chosen to represent higher educational institutions in Saudi Arabia due to its large size KAU has more than 180,000 students, high academic ranking, being well established and its appropriate localization (Binyamin, S. et al., 2017: 2).

can be considered as an ideal leadership style.

He also believes that working hard, respecting appointments, and keeping your promises are signs of effective leadership. A. D. agrees with J. S. that keeping promises and staying honest is a sign of effective leadership. He describes the ideal relationship between managers and employees as the one where time is respected, working hard, transparency, honesty and being good at work. He believes that if both managers and employees acted like this their relationship will improve. He believes that after all they are working as one team and belong to the same organization, and they are like family members.

One can find here that A. D. is describing the team as family members, and this can indicate the importance of relationship for him. When asked about the role of leadership in increasing innovation, he says that leaders can have the power to initiate innovation by encouraging employees and provide them with necessary tools to be creative. He believes that everyone is going to benefit from innovation and leaders should encourage it. Regarding incremental and disruptive innovation, A. D. believes that both types are important and should be supported. We find here the answers of A. D. and J. S. is similar where both participants agree on the importance of the two types of innovation. According to him he says that in their company they use the new technology.

However, he believes that changing and mixing the technology to use them to achieve the desired goals is important. He believes that in the events organizing world, new technology is very important. A. D. believes that technology can't replace humans in terms of producing creative ideas. A. D. thinks that in the tourism world the human element is vital and cannot be replaced by machines or technologies. We can see here that A. D. is emphasizing the vital role of the human element although the technology of the 4.0 industry is very advanced. He also says that healthy relationship between managers and employees is good for innovation.

(4) Japanese Companies: G. L.

This section is going to be dedicated to analyzing the data obtained from the Japanese companies. As mentioned earlier, this research compares the small and medium enterprises companies that operate in the tourism industry in Saudi Arabia and Japan. The companies that belong to the Japanese side work within Kansai Region.

The first participant who will be named as G. L. belongs to a small company that operates and manages a traditional Japanese hotel known as Ryokan.³² The services and products provided for

³² The hospitality world in Japan is unique because it provides visitors with modern hotels and traditional Ryokan which is a traditional Japanese hotel. Ryokan can be found almost anywhere in Japan, and they have a lot of varieties. One research describes them as places associated with modernity and the invention of 'Japanese beauty' through most of the Japanese arts; in other words, they play the part of some kind of local cultural centers (Guichard-Anguis, S. 2008: 76).

tourists include overnight stays in traditional Japanese style rooms, Kaiseki Cuisine,³³ and natural hot springs. It also provides lunch services served in private rooms. The services and products target the tourists who would like to experience the rich Japanese culture. When asked about the establishment of the hotel he says that it was built more than one hundred years ago. Here we can see that G.L. refers to one of the most distinguished things about the traditional Japanese hotels which is their rich history.

Tourists in Japan can enjoy the different historic sites that date back hundreds of years ago. About his duties within the company, he is responsible for different tasks where some of the tasks can be directed to serve customers directly, and some tasks are office tasks. He believes that the market is still good inside of Japan. He says that the domestic market is still quite strong under the right circumstances. Since the Ryokan is in a rural yet convenient location and offers dining in private rooms. Here I noticed that G.L. does not mention the effect of the coronavirus pandemic and thinks that local customers still enjoy the experience of the Ryokan.

When asked about the best leadership style that fits their business, he thinks that as a traditional, family-owned business the owners are the managers and decision makers. G.L. believes that since the number of employees is limited usually the managers can take the role as decision makers. Maybe here one can find that with less people there can be less conflict and decision making can be done smoother. When asked about the ideal relationship between managers and employees G.L. says that managers should be more open to listening to the ideas and relying on the experience of employees. He finds this quite commonplace in Europe but very rare in Japan. He is referring to the importance of listening for healthy and meaningful relationships. He also mentioned the difference between the work environment in Europe and Japan.

G.L. believes that leadership can affect creativity and innovation because leaders can because they often have final say on whether a novel and innovative idea can be implemented within the company. This is especially true in Japan where so much emphasis is placed on hierarchy. Again, he is referring to the fact that hierarchy is a big part of the Japanese work environment and leaders can have a lot of power. He also thinks that both types of innovation are important and worth investing in. He says that both are of equal value. Improving existing products is important to reduce costs and improve sustainability while inventing new products is important for driving innovation and filling market gaps.

One of the most interesting things G.L. talked about was the fact they never use the new technology like cloud computing and IoT services. This is interesting because one can see here

³³ Kaiseki Cuisine is a traditional Japanese food that contains different dishes and meals. The origin of Kaiseki Cuisine dated hundreds of years ago, and it is famous in Kansai Region. Beef, fish, vegetables, and meat are just some of the ingredients that Kaiseki Cuisine has on its menu.

that the traditional Japanese hotels are still using old methods to operate their business. Not only that but G.L. believes that these new technologies can be bad for their business. He says that they might have a negative impact as would provide only limited benefit while taking away from the tradition and charm values of the experience.

G.L. thinks that technology cannot replace humans in terms of producing creative ideas. He believes that in the future they may be able but in the short and medium term I don't think so. Things like AI may be able to offer things like efficiency improvements, but it still lacks the creative spark it would need to come up with innovative ideas. G.L. thinks that healthy relationships are important for innovation. He says that we need a mutual trust to be able to share ideas, improve them based on each other's experience and drive them forward. An employee with a good idea can't do much on their own without a manager to support them in getting it implemented. G.L. is talking about the importance of leadership support for innovation and he believes that the ideal work environment should be open and supportive of employees.

He thinks that an open environment where employees are encouraged to think about how they can make improvements and make suggestions or criticisms without fear of reprisal is important. This is sadly lacking in many organizations across Japan as employees are very much subordinate and required to focus only on the task at hand. Finally, he thinks that adhering to tradition is important in Ryokan business. Innovation in Ryokans tends to be things like offering vegan and vegetarian food or taking a tattoo friendly stance for the hot spring rather than anything technological.

(5) Japanese Companies: K. Z.

The second participant will be given the symbol K. Z. to refer to her. She is the owner of a small hotel that provides Japanese cuisine in Nagaokakyo in Kansai region in Japan.³⁴ The establishment of the hotel was done in 2016 and the number of employees is 3 personnel. This is a small business in Kansai region, and it fits the criteria of this research which requires a small and medium business that operate within Kansai region. When asked about the changes that occurred in the market, K. Z. says that the number of tourists has declined, but the number of customers that stay at the hotel while on a business trip has increased. One notice here that K. Z. is turning our attention to the type of customers that has changed because of coronavirus pandemic.

K. Z. believes that the best leadership style that can be used in the tourism industry is the one that operates in harmony with its environment and the one that works hard to tackle the hardships of work. She is putting emphasis on harmony and hard working as hall marks for effective

³⁴ Nagaokakyo is a small urban city that is located near Kyoto City in Kansai Region. The city has a great location that makes the transportation to Osaka and Kyoto very comfortable and convenient. The city has a great transportation system, and it connects the north part of Osaka to the south part of Kyoto.

leadership. When asked about the ideal relationship between managers and employees K. Z. says that communication skills are the most important factor that can determine the quality of the relationship between managers and employees. Leaders who possess a good communication skill can be effective in communicating the mission and the vision of the company to their followers.

The answer of K. Z. to question regarding the ability of leaders to impact innovation in their organizations was listening to employees. K. Z. believes that listening to employees is the most vital element for leadership in stimulating innovation and creativity. Listening to employees can be great tool to exchange ideas between leaders and followers. When responding to the question regarding the types of innovation and which one is more important, K. Z. believes that disruptive innovation is more important than incremental innovation and just making improvements on popular products and services. Regarding the use of new technologies like cloud computing services and internet of things technology, K. Z. said that in their company they do not utilize this equipment.

However, K. Z. thinks that the use of these technologies can help to accelerate efficiency in performance. In addition to that, K. Z. thinks that these the new technology of the fourth industrial revolution can be more effective than humans in terms of producing innovation. The response of K. Z. regarding the healthy and meaningful relationship between leaders and followers and good innovation results was affirmative. K. Z. agrees that high-quality relationship between leaders and members can lead to a better innovation result. When asked about her opinion of the ideal work environment K. Z. believes that listening to employees and striving to create a better work environment is what distinguishes the ideal work environment from other ordinary work environments.

(6) Japanese Companies: J.H.

The last participant of the Japanese sample is going to be given the name J.H. to referee to him. He works for Osaka Convention and Tourism Bureau³⁵ which is an organization that provides different tourism activities in Osaka area. When inquired about the work they do J.H. says that they are charged with the responsibility of promoting Osaka as a tourism destination (particularly as a tourism destination and destination for meetings and events) both domestically and globally. Therefore, they work with the prefectural and municipal governments of Osaka. There are 43 official villages, wards, and cities in Osaka. They are in charge of promoting all of them so that they can all benefit from tourism and other behaviors that lead to increased spending. Their work is to promote tourism in Osaka area and to attract tourists to Osaka to maximize

³⁵ Osaka Convention and Tourism Bureau is a modern tourist information center offering tips and directions to tourists. The goal of the Osaka Convention and Tourism Bureau is to promote tourism in Osaka and the surrounding areas.

spending and strengthen the economy. J.H. describes the history of their organization as it was founded in 2003 but under a different name and with a slightly different structure. In regard to the Osaka Convention and Tourism Bureau we have today, we usually say it was officially created in 2013. There are approximately 60 employees working for the organization. He works as a Marketing Data Analyst which means he is familiar with the number of the activities and the types of events that take place in the area.

When asked about the changes that happened to the market J.H. says that in 2019, just before the coronavirus outbreak and during that time there was the rugby world cup and Osaka had just broken its record for the most amount of inbound tourists ever. From March 2020 it changed, and people stopped being able to come to Osaka from abroad. Because of this, many attempts to promote to inbound tourists at times seem futile. In order to overcome these problems and continue to drive visitation to Osaka they have been focusing on the domestic market whilst at the same time still trying to provide and disseminate information towards the foreign market so that they still remember Osaka and hopefully choose Osaka as their next tourism destination as soon as borders open again. The coronavirus outbreak had a major impact on the tourism industry and the effect was negative.

When asked about their organization and the best leadership style that fits their work environment, he describes it as first they have a lot of media focus on them as an organization. Therefore, for them it is important to be someone that is lively and active and can promote Osaka in a positive and energetic way as a fun destination. For leadership he believes that the leader needs to be able to embrace the above and be an example for the rest of the employees. Regarding the ideal relationship between managers and employees J.H. thinks that managers need to be able to effectively manage the workload of the employees. It is also very important that managers/leaders are seen as people that employees can come to with their problems. There needs to be a great deal of respect between the employees and managers. Employees are not just pawns to be made to do all the actual work.

A manager that understands the problems and struggles of employees is much more likely to create a loyal workforce that wants to work hard to please their manager. J.H. is shifting our attention to the importance of listening and empathy for leaders to win the loyalty of their employees. In addition to that, J.H. believes that if a manager or leaders acts with initiative, then yes. Many managers do not actively strive to push forward and do the bare minimum. It is important that managers listen to the voices of their subordinates and give chances to ideas from subordinates whilst managing the risks. If they can create an environment whereby everyone feels comfortable to share their ideas and/or make mistakes, then ideas that lead to innovation are more likely to appear.

Regarding incremental and disruptive innovation J.H. believes that both are important, and it

depends on the line of work of the business. If you continue to invent more products, then you have more products to manage. There could be problems of not having enough staff to efficiently manage all the products and some products might be dropped. But having too many products could lead to a confusing brand image. Sometimes having a simple menu is better and it is not always necessary to try and fix what is not broken. In their work, sometimes they may have a series of products that are not so successful independently but work better as part of a package. One can see clearly from his answer that he is looking at the whole picture when it comes to managing both types of innovation and taking into consideration both the positive and negative effects of each type. When asked about the utilization of the new technology of the fourth industrial revolution he says that they do not use them in their organization.

However, they are trying to promote the image of Osaka as a smart city and are currently developing a tourism app to enhance the experiences of visitors to Osaka. J.H. thinks that the new technology cannot replace humans in terms of producing creative and innovative ideas. He believes that the staff and their brains are more important. If you just introduce the technology, he thinks that it will initially make things very slow. Because you need to have the right kind of staff to be able to deal with it. This is also influenced by things such as age of staff and background. J.H. thinks that communication is the most important thing for organizations. They have lots of meetings and send lots of emails to incite growth in tourism.

Aspects related to technology are handled by other companies that they commission. He also believes that technology can be used to boost innovation in organizations. J.H. says that if they had data available that a computer could automatically digest and produce strategically viable proposals then that would help to spur on innovation. However, in tourism, the emotions and the feelings of the visitors is the most crucial thing. He believes that it is much easier for other humans to understand what types of experiences are going to be seen as fun and enjoyable rather than machines.

Technology can produce innovative products and services. However, in the tourism industry a human touch is necessary. When asked about the relationships between managers and employees and their role in innovation he says that if managers can produce an environment whereby employees feel comfortable producing ideas and sharing ideas that may not even be that popular, then more interesting ideas that lead to innovation may come about. Finally, J.H. believes that the ideal work environment is the one where there is mutual respect between managers and employees and employees feel protected and safe. Safe in terms of being unafraid of making mistakes and sharing ideas no matter how strange they may be.

VI Similarities and Differences

(1) Theoretical Contribution and Hypothesis

Before I start analyzing the data and talk about the similarities and differences between the companies, I would like to mention the theoretical contributions and the hypothesis of this research and build the analysis of the data based on it. First, this study will contribute to the improvement of Disruptive Innovation theory by providing a clear framework for it when applied in SMEs in the age of the Fourth Industrial Revolution. It will extend the theory by analyzing the relationship between LMX Theory and Disruptive Innovation in SMEs environments and come up with a coherent model that explains the relationship in a clear way.

By focusing on LMX theory which is a leadership style that focuses on human relationships in organizations and use it as a tool to enhance disruptive innovation performance in SMEs, this paper provides a new angle for studying the relationship between leadership and innovation. First, this study emphasizes the importance of the technology and services of the Fourth Industrial Revolution era, and how it relates to other important factors like innovation and leadership. Second, the hypothesis of this study are consisting of four points. One, the elucidation of Disruptive Innovation's framework in tourism SMEs and that by clarifying the main elements like leadership behavior regarding disruptive innovation, followers' reaction towards disruptive innovation process and ideal environmental factors for disruptive innovation. Two, the enhancement of Leader-Member Exchange quality can help to improve disruptive innovation. Three, the improvement in the exhibition of Leader-Member Exchange and Disruptive Innovation methods can lead to a more efficient organizational performance. Four, the rapid changes that are accompanying the Fourth Industrial Revolution in the work environment need a new research strategy to shed light on them and to come up with new perspective for disruptive innovation in the age of 4IR.

(2) Shared Themes between Saudi and Japanese companies

After explaining the theoretical contributions and the hypothesis of this research, now I will use them to analyze the data. We will try to find the themes between the companies and shed light on the similarities and differences between the Tourism SMEs in Saudi Arabia and Japan. I will start by analyzing the responses of participants regarding question number four which was about the changes that affect the market.

Three participants A.B. J.S. and L.H. agreed that coronavirus pandemic has a negative effect on the tourism industry. However, two of the participants G. L. and K.Z. say that their business is doing well. The reason is because both of them operate in rural areas and away from big cities. During the coronavirus outbreak traditional Japanese hotels that operate in rural areas were perfect places for domestic tourism. It's a good idea for tourism companies to have other branches in rural areas or have tourism activities in the suburbs so that they can use it during pandemic. In

terms of the ideal leadership style, participants have different answers. Where L.H. from Saudi Arabia and K.Z. from Japan agreed that hard-working is a vital element of effective leadership, other participants had different answers. A. B. from the Saudi sample thinks that focusing on financial issues is important for effectively leading your organizations. J. S. from Saudi Arabia believes that teamwork is important, and J. H. thinks that leading by example is vital for leadership. Regarding the ideal relationship between managers and employees all participants from the Japanese sample believe that communication skills and listening to employees and understanding their issues and problems can help to create a healthy relationship between managers and employees. The participants from the Saudi Arabian sample have different answers. J. S. and A. B. think that firmness is important to lead followers. Where L. H. says that honesty and transparency are important. One of the main ideas of this research is that leadership can help to enhance innovation.

(3) Leadership and Innovation

Question number seven ask participants about the possibility of leadership to have a positive impact on innovation. All participants with no exception agreed that leadership can affect innovation. K. Z. and J. H. from Japan believe that through active listening to employee's leaders can be able to stimulate innovation in their organizations. L. H. and J. S. from the Saudi sample believe that developing the skills of employees through workshops and seminars can impact innovation possibly. Where G. L. from Japan and A. B. from Saudi Arabia think that the experience and the power leaders have can help organizations to engage in innovation activities successfully.

One of the hypotheses of this study is that the enhancement of LMX leadership style can help to improve disruptive innovation. Through the answers of participants, one can say that this is a valid point. According to this research, innovation is divided into two types. The first type is incremental innovation where the focus is on making improvements on popular products and services. The second type of innovation is disruptive innovation and in this type the goal is to create a completely new products and services with new characteristics and value. Five out of six participants believe that both types of innovation are necessary for organizations. However, K. Z. believes that disruptive innovation is more important than incremental innovation. One of the main elements of this research is the Fourth Industrial Revolution and its technology. Their impact on our social and work life is huge and a lot of companies have changed because of it. However, the results of question number nine that is investigating the use of these technologies was unexpected. Although it is important, but the sample of this study did not agree on that.

(4) Use of Technology

Although, all participants from both countries agreed that leadership can affect innovation, we find here in this question that the Saudi Arabian sample and the Japanese sample is completely different. All the companies from Saudi Arabia say that they are using the new technology and thinking of integrating more technology into their business. On the other hand, we find that all the Japanese companies say that they do not use these technologies and some of them have never used them before. This is a major difference, and it can give us a glimpse into the future of the tourism industry in both countries.

(5) Leadership Style

Another main theme in this research is that leadership styles that encourage the focus on human resource and in building relationships with members is effective in producing innovation. This is because humans are vital and cannot be replaced by machines if organizations want to be innovative. Question number eleven asked participants about the possibility of replacing humans with machines to produce innovation. Four out of six companies say that machines cannot replace humans in terms of producing creative ideas and the tourism industry needs human touch. However, only K. Z. and J. S. believe that replacement is possible. According to the answers of participants above we can say that LMX should encouraged among leaders because it focuses on building high-quality relationship with employees and that can lead to more creativity and innovation. Another major factor in this research is that LMX can lead to the enhancement of organizational environment. When that happens creativity and innovation improve too, and the overall performance of the company improves as well.

(6) Work Environment

Question number thirteen ask participants about their opinions regarding the ideal work environment. All participants from both countries agreed that listening to employees, understand their problems, and empathize and sympathize with them can make the work environment ideal for them. When the work environment is ideal for employees, their creativity and innovation skills can improve. Also, their loyalty and passion for their job can be stronger and bigger. This can lead us to say that LMX can help to make a proper work environment for employees. The answers of participants support the hypothesis of this research which states that LMX can help to strengthen the relationship between leaders and followers through the building and investing in healthy and meaningful relationship. This leads to the empowerment of the creativity and creativity skills of employees and make them more passionate and loyal to their companies. In addition to that, it can help to create an ideal work environment and improve the overall performance of organizations.

VII LMX and Disruptive Innovation: Dynamics and Interaction

(1) Introduction:

In this section I will explain the dynamics that happens between LMX and innovation. The mechanism in which LMX can lead to the enhancement of Disruptive Innovation will be explained. First, I will provide some examples from similar research and present the results of these studies. Second, I will provide examples from the data I got from participants to show how LMX can help to enhance Disruptive Innovation. In general, LMX can have a positive effect on Disruptive Innovation through three main ways. One, LMX helps to create a safe environment that encourages innovative work behavior for employees. Two, LMX can enhance Disruptive Innovation by indirectly affecting the creativity skills of employees. When creativity skills of employees are high, they become able to come up with novel and useful ideas that can be turned into innovative products and services. Three, LMX has a positive effect on the motivation and organizational commitment of employees. This can affect Disruptive Innovation positively because employees will have higher motivation and more passion for success at work which is known to lead to improved creativity and innovation for organizations. I will provide studies that support the above-mentioned points. After that I will provide examples from the interview that have been done in Saudi Arabia and Japan.

(2) LMX Helps to Create Disruptive Innovation Through the Creation of Safe Environments That Empower Innovative Work Behavior (IWB)

First, I would like to analyze the first mechanism in which LMX can lead to the enhancement of Disruptive Innovation in organizations. As I explained above, LMX can lead to the enhancement of Disruptive Innovation through creating a safe and encouraging environment for employees. Such environments can help to develop Innovative Work Behavior (IWB) for employees. IWB is the ability to produce new and useful ideas and implement them successfully to increase sales and organizational performance. In a study on LMX and Innovation that has been done on a Dutch and German survey technical organizations, researchers found that LMX has a positive effect on IWB. In addition, LMX can have a positive effect on satisfaction, leader support and organizational commitment which all factors that can lead the enhancement of organizational innovation (K. Sanders. et al., 2010: 60). As one can see that LMX has a positive effect on many organizational factors such as IWB, satisfaction, leader support and organizational commitment. All these factors that can have a positive effect on organizational innovation capabilities including Disruptive Innovation.

Now I would like to provide some examples from the data I collected through questionnaires that supports the above data. The first example can be seen with A. B. who is the

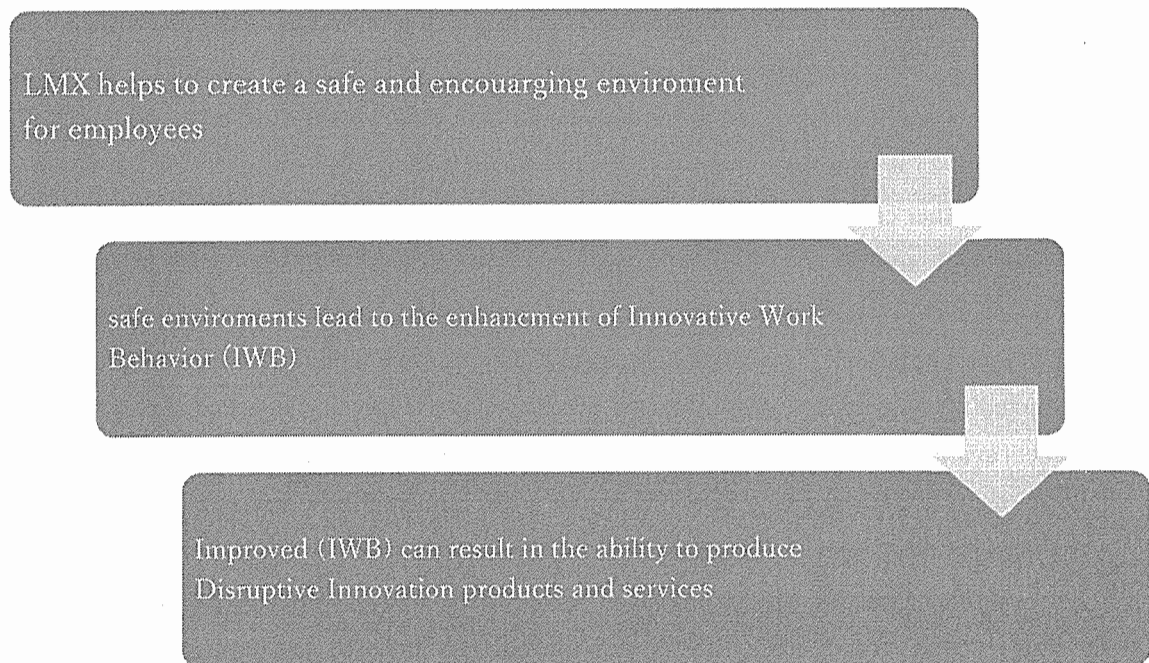
President of Aid Bdar for Motamreen Services. He believes that the human element is necessary in supporting innovative abilities for employees. He says that healthy and meaningful relationship between leaders and members can have a positive effect on creativity. This creativity can be turned into innovative ideas and products for companies. He believes that if employees are satisfied and proud of their work, it means that environment is healthy and supports innovation. One of the disruptively innovative ideas this company came up with was to automatize all their work office producers and the issuing of tourism visas for visitors from outside Saudi Arabia. This disruptively innovative service was done to counterattack the negative effect of COVID-19 Pandemic and to attract young customers who rely mostly on technology. Disruptive Innovation products and services are usually cheaper and more convenient than other products (Christensen et al., 2013: 3).

Unlike other companies that decided to shut down their operations because of the economic situation, A. B. and his team decided to use innovative products and services to reduce spending and attract new customers. Using disruptively innovative products such as online issuing of applications for tourism visas helps A. B. and his team to cope with the changes of the market and it attracted new customers. Also, the new products are cheaper and more convenient than other products available in the market which gives it the characteristics of Disruptive Innovation. A. B. and his team used Disruptive Innovation and created new, cheap, and convenient products to overcome the challenges of the market and to increase sales and attract new customers.

Another example can be seen in J. S. and his company which operates in the hotel and tourism industry. The company of J.S. provides various products and services for tourists from inside and outside Saudi Arabia. The response of J.S. of question number five in the survey was that having a high-quality relationship with employees and working with team spirit is necessary. It is clear that J.S. is putting an emphasis on human relationships and LMX. As mentioned before, LMX helps to create a safe environment that encourages (IWB) for employees. For example, J.S. developed a disruptive innovation based on robotics technology and cloud computing technology. In the survey in question number nine J.S. mentioned that his company is using robotic and cloud computing technology to improve organizational performance and innovation. Using products and services that are based on robotic and clouding technology can be seen as a Disruptive Innovation strategy. A study done by Catinean, I., and Candea, D. (2013) on The Characteristics of the Cloud Computing Model as a Disruptive Innovation. They found that cloud computing technology can be used to create Disruptive Innovation products and services. The Disruptive Innovation products can change the pattern of consumption, create more opportunities for companies, and drive economic growth (Catinean, I., and Candea, D. 2013: 785). To sum up, LMX helps to create a safe environment that encourages innovative work behavior for employees. J.S. and his team believe that functioning and healthy relationships between leaders and

employees is important for organizational performance and innovation. This help J.S. and his company to have inducive and encouraging environment for Disruptive Innovation. As a result, they developed Disruptive Innovation products based on robotic and cloud computing technology.

Figure 30: The positive Effect of LMX on Disruptive Innovation



Source: Made by the Author

(3) LMX Can Enhance Disruptive Innovation by Indirectly Affecting Creativity Skills of Employees

The second mechanism in which LMX can help to create Disruptive Innovation is through the indirect effect of creativity skills. I mentioned before that creativity is the first step towards innovation. Creativity can be defined as the ability to come up with novel and useful ideas. After creativity comes innovation which is the implementation of these ideas and turned them into new and useful products for consumption. LMX can help to create Disruptive Innovation through the enhancement of creativity thinking skills of employees. In a study done by Volmer, J. et al., (2012), to test the relationship between LMX and creative work environment, they found that fosters creativity of employees. This is because high-quality LMX leads to more job autonomy for employees. This freedom at work gives employees more influence on the way in which they accomplish tasks (Volmer, J. et al., 2012: 8). When there is a high-quality LMX between leaders and members, there will be more trust between them. This trust allows leaders and managers to

give more trust for employees to accomplish tasks the way employees think is good. When employees have more freedom over their tasks, they can be able to come up with many creative ideas for their companies. These creative ideas can be turn into Disruptive Innovation products and services for consumption.

To understand more why job autonomy that leads to creativity is important for Disruptive Innovation, we need first to know the characteristics of Disruptive Innovation products. According to the research of Clayton Christensen who coined the term Disruptive Innovation and other researchers, Disruptive Innovation products have the following characteristics. The new product (the disruptive innovation) does not perform well at the beginning, especially when compare with other popular products consumed by mainstream customers. However, the new product (the disruptive innovation) keeps improving and fixing the problem it has until it become very efficient product. At this point the new product (the disruptive innovation) on an alternate dimension and thus open up a new market. In other scenarios, the new product (the disruptive innovation) replaces old products because it is easier to use and cheaper in price (Schmidt, G. M., and Druehl, C. T. 2008: 347).

As one can see from the description above, Disruptive Innovation products do not perform well at the beginning. However, when the employees given job anatomy and freedom to try the product and test it in different ways it can be very successful and replace old products. LMX allow for more freedom and more job anatomy for employees to accomplish their tasks. This freedom leads to creative ways of testing and developing the new product until it reaches a point where it can replace old products or open up a new market. To summarize, LMX can help to create Disruptive Innovation because it gives employees more freedom and job autonomy. Freedom and job autonomy allow them to have influence on the way they accomplish tasks. As a result, employees can be more able to come up with creative solutions to solve the problems that usually accompany Disruptive Innovation products at the beginning. They keep improving the new product (the disruptive innovation) with creative ideas until it replaces old products or open up new markets.

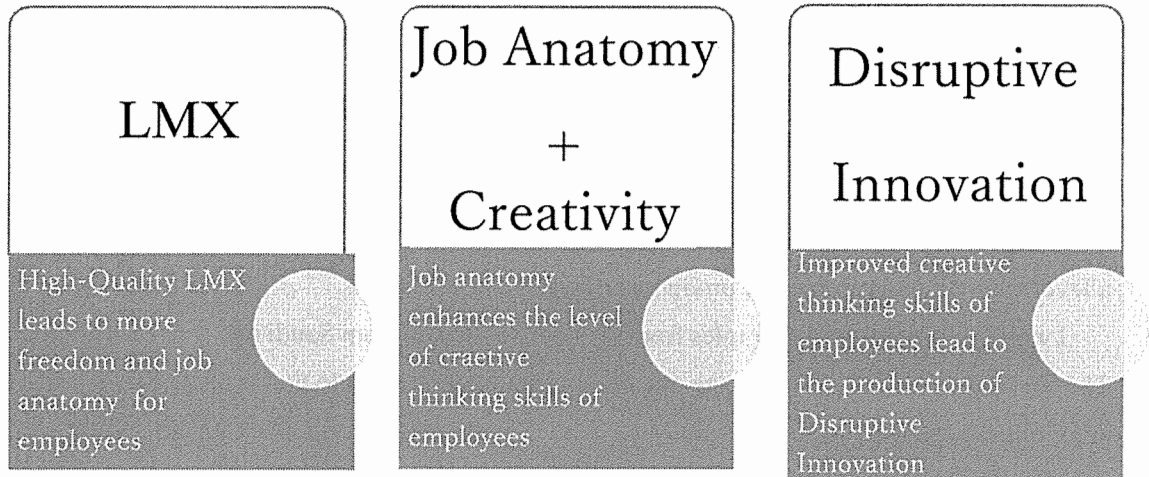
Now I would like to present some examples from the interviews I made that support the above-mentioned points. I will start with J.H. who works for Osaka Convention and Tourism Bureau, which is a medium-sized organization that promotes tourism activities. In question number five in the survey, J.H. was asked about the leadership style fits their organization. His response was that leaders need to be lively and active with others, and to positive and energetic to be successful. J.H. believes that a high-quality relationship between leaders and managers is necessary for any organization to be successful. It is clear that J.H. is putting a huge emphasis on LMX and its role in enhancing organizational performance. In the survey, J.H. mentioned that his company is using new technological solutions to promote their products. He also mentioned that his company is

developing a new application for their company. New technological solutions and applications have the characteristics of Disruptive Innovation. According to research, Disruptive Technologies such as applications and other technological solutions takes time until they become successful (Vecchiato, R. 2017: 4). J.H. mentioned that LMX is important for any organization. As a result of that, J.H. and his company are working and developing Disruptive Innovation products. Since LMX is high in J.H. Company, this allows them to have more job anatomy and more freedom to develop new and innovative technological solutions. Job anatomy enhances creativity and creativity helps to create new solutions for the problems that usually face Disruptive Innovation at the first stages of their development phase. These creative solutions for the new product (the disruptive innovation) will help to make sufficient for costumers.

Another example can be seen in A. B. who is the president of small tourism company in Saudi Arabia. When asked about the importance of innovation his response was that innovation is vital for their company. In question number nine in the survey, A. B. says that his company is developing a new product using the technology of Virtual Reality (VR). Using VR technology to create new products in the market is Disruptive Innovation. VR based products have the characteristics of Disruptive Innovation that I mentioned before. They are completely new, and they can open up new markets with new needs to be met. Both new costumers and mainstream customers will find that the new product (the disruptive innovation) will be able to meet their needs with cheaper price and more convince.

Now, when analyzing the human relations aspect of A. B. and his company, one can find that LMX is a huge part of their interaction with each other. In question number six which investigates the nature of the relationship between leaders and employees, A.B. says that leaders should treat employees nicely and be close from employees. This an indication of high LMX from A.B. who is the president of the company. The high-quality LMX between A.B. and his followers will lead to more job anatomy and more freedom for employees. As consequence, employees developed high creativity skills that allowed them to come up with the new product (the disruptive innovation) which is based on VR technology. All in all, because the level of LMX is high in the company of A.B. they were able to have more freedom and job anatomy. This allowed them to create Disruptive Innovation products that are based on VR technology and is considered new and unique in the market.

Figure 31: The process of LMX, job anatomy, creativity, and Disruptive Innovation



(4) LMX Has a Positive Effect on Motivation and Organizational Commitment

The third strategy in which LMX can increase innovation is through the enhancement of motivation and organizational commitment of employees. When the level of motivation and organizational commitment is high, the level of creativity, innovation, and performance increase as well. This is very important because the attitude of employees has a direct effect on the work of the organization. Motivational communication is key in organizational success (Lăzăroiu, G. 2015: 72). Motivation is very important because it leads employees to step out of their comfort zone and be more willing to engage in challenging tasks. In addition to the enhancement of organizational performance, motivation also can have a positive effect on creativity and innovation. On study that was done by Malik, M., et al (2015), to investigate LMX quality relationship on employee motivation with a sample of 1500 employees across four countries. The result showed that there is a direct and positive relationship between LMX and employee motivation. Also, LMX has a positive effect on satisfaction, Psychological Empowerment and lowers the employee stress, turnover (Malik, M., et al., 2015: 1987). Employee motivation has positive effect on organizational performance, and it can enhance the performance and lead to more growth. According to the evidence from the research above, LMX can enhance employee motivation and lead to more sustainability and success for companies.

Now I would like to explain how motivation and LMX can help to enhance Disruptive Innovation. LMX can increase employ motivation that is necessary for optimal performance of organizations. Also, motivation is a vital element in creative thinking which is considered the first

step towards innovation. A Pennsylvania University professors named Forgeard and Mecklenburg done a research in (2013) to explore the relationship between creative thinking and motivation. In their study they mentioned that past research supports the idea that intrinsic motivation is important for creative thinking (Forgeard and Mecklenburg 2013: 255). According to the data from the studies above, LMX has a positive connection to motivation and motivation is an important element in creative and original thinking. I mentioned before that creativity is important for Disruptive Innovation. This is because the creative ideas can be turned into Disruptive Innovation products and services to be consumed by customers. Also, creativity helps to overcome the challenges that usually face the new product (Disruptive Innovation) until it reaches a level where it can replace old products or open-up new markets.

I would like to present examples from the data I collected from Saudi and Japanese companies. The first example is K.Z. who is the owner of a small hotel in Kyoto that is also provides different activities for tourists. K.Z. has mentioned in the interview that effective leaders should work in harmony with others. She also believes that communication skills are the most important factor that can determine the quality of the relationship between managers and employees. K.Z. leadership tyle puts an importance on building high-quality LMX with her employees. She also mentioned that in the past it was mostly tourists who would come and use the products of the hotel. However, K.Z. and her team developed new products for customers who come for business trips. According to the data of research I mentioned earlier, opening up new markets is one of the characteristics of Disruptive Innovation (Schmidt, G. M., and Druehl, C. T. 2008: 347).

In response to question number five of the interview, K.Z. says that motivation and the ability to work hard to tackle the hardships of tasks is necessary for organizations. She believes that motivation is necessary to tackle the challenges of work. The leadership style of K.Z. puts an importance on communication and listening to the opinions of employees. This can be seen in the survey in her response to question number six. As a result of the high LMX quality between K.Z. and her employees, it led them to have the motivation to be more creative and look for opportunities of opening up new markets. They are developing new Disruptive Innovation products that target customers that go on business trips which is a completely new market with completely new needs to be met for customers. In conclusion, high-quality LMX relationship between K.Z. and her employees led them to have more motivation to tackle the challenges of the work. The motivation impacts creative thinking positively, and as a result new product (Disruptive Innovation) that target and open up new markets are developed.

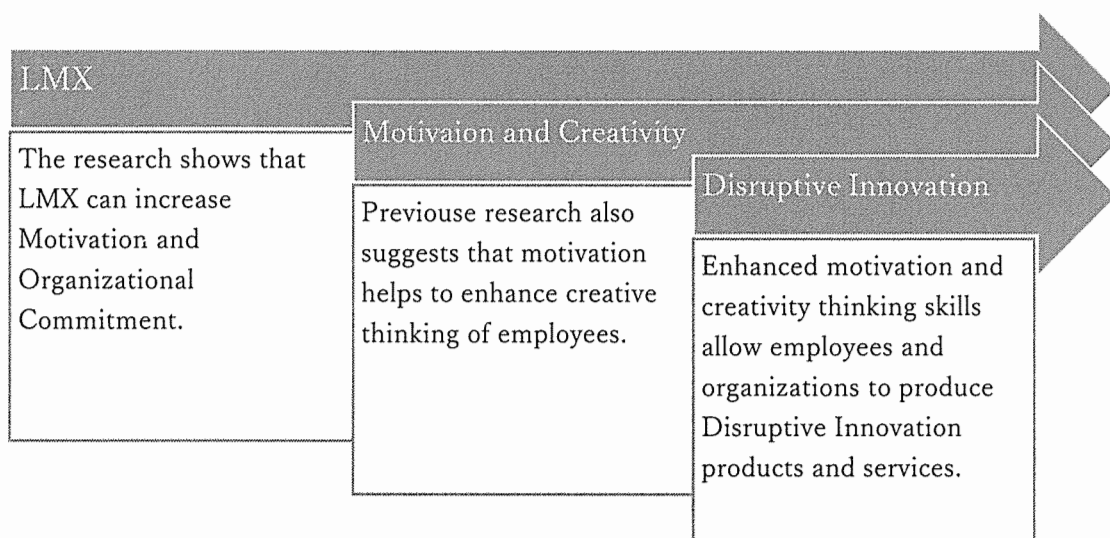
Another example can be taken from A. D. who works as a leader and coordinator at Saudi company that organize tourism events. In question number five when A.D. asked about his leadership style, he says that ideal leadership style requires leaders to be empathetic and sympathetic and put themselves in the position of their employees. On a recent study that has

been done by Weisz, E. et al., (2021), on a two hundred ninety-two first-year college students to test the relationship between empathy and motivation. The found that empathy which is the ability to understand the feelings and needs of other people can lead to greater relationship satisfaction. In addition, they also found that there is a positive relationship between empathy and motivation (Weisz, E. et al., 2021: 3). As one can see from the research above that empathy and understanding the needs of other can increase motivation.

A. D. believes that his leadership style focuses on empathy and putting himself in his employee’s place. He does that to strengthen his relationship with them and to increase motivation. The way A. D. is following in his leadership style emphasize a high quality LMX that lead to increased motivation and creativity for employees. As a result, A. D. and his team were able to produce Disruptive Innovation Products. This can be seen clearly in question number nine when he mentioned that his company has used AI and other advanced company with old products to create something new. He also mentioned in question number eight that Disruptive Innovation that has the ability to replace old products and open up new markets are very important for his company.

Overall, motivation is very important for organizational performance and for creative thinking of employees. According to the research above, LMX has the ability to increase motivation and organizational commitment of employees. Therefore, using LMX leadership style to build high quality relationships with employees will increase their motivation and creativity and that will result in the production of Disruptive Innovation as we saw from the examples of A.D. and K.Z above.

Figure 32: LMX, Motivation and Disruptive Innovation



Source: Made by the Author

VII Conclusion

In conclusion, the data analysis above showed us that the hypothesis of this research is valid for the following reasons. One, in this research I argue that LMX can help to enhance disruptive innovation in organizations. The results that came from participants showed that all of them agreed leadership can affect innovation in organizations. This backup the argument of this research and therefore is to be considered valid. Two, in this study I argued that disruptive innovation is vital for organizations if they want to survive. According to the data we got from companies in Saudi Arabia and Japan, five out of six companies agreed that disruptive innovation is vital for their organizations. Therefore, I considered this hypothesis to be valid.

Table 5: Validity of the Hypotheses of this Research

Validity of the Hypotheses	
H1: LMX can help to enhance Disruptive Innovation in tourism SMEs	Valid
H2: Disruptive innovation can assist SMEs to survive in the long run	Valid

Source: Made by the Author

Part V The Effectiveness of Functioning as a Robust Systems and Using Relational Leadership to Enhance Disruptive Innovation in Small and Medium Enterprises (SMEs)

I Introduction

In this part I will talk about the article that I wrote about The Effectiveness of Functioning as a Robust Systems and Using Relational Leadership to Enhance Disruptive Innovation in Small and Medium Enterprises (SMEs). The article was published in the Journal of the Academic Society of Osaka Sangyo University. First, I will talk about the goals and the objectives of the article. Second, I will explain the dynamics of Disruptive Innovation in unpredictable and ambiguous markets. Third, the role of Relational Leadership as a tool to generate innovation will be discussed. Fourth, I will examine the role environment when they function as Robust Systems to support innovation. Fifth, I will connect the hypothesis of the article to the research questions of this paper. Finally, I will conclude the article with a summary of the main points and explaining the relationship between the article and this paper.

II Goals and Objectives

The study investigates the important role that Relational Leadership plays in inducing Disruptive Innovation in SMEs. It shows the vital role that Relational Leadership plays in stimulating creative abilities of employees that are of high importance for Disruptive Innovation. In addition, this study explores the rationale behind the necessity for SMEs to function as Robust Systems to allow for more freedom and encouragement that are required for Disruptive Innovation. Relational Leadership style and Robust Systems approaches can help SMEs in their Disruptive Innovation endeavors. In today's global market that is filled with challenges and instability Disruptive Innovation can be a great weapon for many organizations. We live in an era where SMEs face great challenges and fierce competition that may lead them to exit the market at any time. Disruptive Innovation is required to avoid bankruptcy and to give SMEs the ability to grow. It is important for SMEs to disruptively innovate their products, processes, procedures, and services. Therefore, the objective of the study is to clarify the role that Relational Leadership plays in inducing Disruptive Innovation in SMEs.

III The Dynamics of Disruptive Innovation

In today's global market that is characterized by continues change and instability, Small and

Medium Enterprises (SMEs) need more than just incremental innovations. Dr. Park, a professor in the Management Department at Osaka Sangyo University, argues that the incremental innovation that once helped the Japanese economy to be a superpower is not efficient anymore. He claims that fear of failure and the risk aversion environment that many Japanese companies are adopting is not helping them to successfully implement radical innovation. He suggests that Japanese companies need to review their old management approaches and encourage new approaches that can assist them to produce radical innovation (Park, M. 2013: 179). Innovation plays a pivotal role in the long-term survival of organizations of all sizes. Some research studies found that without innovation, organizations could not survive in the long run. In other words, all organizations regardless of their size need innovation to survive and thrive. This is because of the fierce competition that organizations face nationally and internationally. In addition to that, the rapid changes in regulations and market conditions can lead to the emergence of new and unusual challenges that require creative and innovative solutions. Most SMEs use incremental innovation as the main method of innovation in their corporate strategy. The problem with this kind of innovation is that it does not provide radical changes to the products and services that SMEs are making for the market. This gives the opportunity for other firms to disrupt the market with new and radical technologies and turn the table on their competitors. Disruptive Innovation requires more than just incremental innovation that most SMEs are using. Failing to do so might allow new entrants into the market to disruptively invent new technologies that will threaten the existence of many SMEs and make them in danger of losing their market share or even worse make them face the danger of bankruptcy.

IV Relational Leadership and Disruptive Innovation

Relationships play important role in successful leadership. Some contemporary definitions of leadership consider the relationship between leaders and members as a basic and inseparable component of leadership. Relational leadership can be divided into two main groups. First, the entity perspective that considers the characteristics of individuals as they engage in relationships. Second, a relational perspective, which describes leadership as a social process that members of society create together and deals with this phenomenon as a one entity. One of the most famous leadership theories that focuses on relationships is Leaders Member Exchange (LMX). LMX is an effective approach to analyze the effect of the relationship between leaders and members. It is considered, by many researchers to be the most important dyadic theory in leadership. Disruptive Innovation involves risk and uncertainty and, engaging in Disruptive Innovation activities, means that organization need to invest a lot of money, time, and effort on something that has not proven to be successful yet. In addition to that, it means that organizations need to target customers that

are not considered from the mainstream. The attributes of Relational Leadership can help to generate Disruptive Innovation results in SMEs. These traits include mutual respect between leaders and followers, trust, meaningful communication and listening to employees. Relational Leadership values trust and meaningful communication and high-quality relationships. This can help employees to feel safe and secure to pursue Disruptive Innovation. As mentioned above, Disruptive Innovation involves ambiguity and uncertainty, and this requires leaders to be more sensitive to their employees and to provide the trust and encouragement for them to stay strong and continue to produce more innovative ideas.

V Robust Systems as a Prerequisites for Disruptive Innovation

The author of Robust Systems theory Barry Oshry thinks that organizations are patterns of relationships rather than a collection of individuals. He suggests that any organization is divided into Top, Middle, Bottom and Customers. The Top is characterized by complexity and accountability. Middle is characterized by the feeling of being torn between the Top and Bottom. The bottom is characterized by feeling invisible and vulnerable. Many problems can happen when we do not understand what other people in different levels are going through. It is called Blindness of the System and it can lead employees to live in an environment that is full of frustration and conflict. If SMEs function as Robust Systems, their ability of Disruptive Innovation can be enhanced. This is because organizations that function as Robust Systems have the ability to provide a safe haven for their employees to be more courageous and more productive at work. In addition, it helps to improve relationships and organizational learning that are necessary for Disruptive Innovation. SMEs need to provide an environment where employees can feel safe to show their creative abilities. Providing such an environment is vital for any creative or innovation activity. Robust Systems can help SMEs to enhance their innovation performance and creates an innovative climate. In addition to that, it can lead to more employee and consumer satisfaction and enhance the perception of service effectiveness by customers. Innovative climate can be achieved when employees perceive that the leadership is supporting innovative endeavor and belief in their ability to be creative.

VI Hypotheses and Research Questions: Similarities and Differences

In this part, I will explain the connection between the article that I published in the Journal of the Academic Society of Osaka Sangyo University and the present paper. First, I will start with mentioning the research questions of the article. The research questions are what Disruptive

Innovation is, and why is it important for SMEs in today's global market? How is Relational Leadership different from other styles of leadership, and what makes it effective in enhancing Disruptive Innovation? Why is it important for SMEs to operate as Robust Systems, and how can that improve Disruptive Innovation for SMEs? What are the innovation barriers for SMEs? And how can Relational Leadership and Robust System theory help to overcome innovation barriers? Second, I will talk about the hypothesis of the article and then link it to the ideas of the present paper. In the article I argued that Relational Leadership improves Disruptive Innovation performance in SMEs. In addition, I stated that Organizational climate affects innovation performance in SMEs and functioning as Robust Systems can enhance Disruptive Innovation in SMEs.

After reviewing the research questions and the hypothesis of the article, I will link it the objectives and goals of the present study. One, one of the research questions of the paper is why is it important for SMEs to operate as Robust Systems, and how can that improve Disruptive Innovation for SMEs? In addition, I argued that functioning as Robust Systems can enhance Disruptive Innovation in SMEs. To link the research question and the hypothesis to the present paper, I would like to mention that in this paper I argued that Leadership styles that focus on the nurturement of human relations like LMX can have a great effect on organizational environment and employees' satisfaction. I believe that organizational environment is essential in enhancing Disruptive Innovation in SMEs. In the article I said that organizational environment can be enhanced in SMEs through functioning as Robust Systems. In this paper, I claim that organizational environment can be improved through LMX. Both methods of LMX and functioning as Robust Systems can lead to a better organizational environment. Safe and secure organizational environment is important for improving creativity skills of employees. As a result, the innovation capabilities will improve, and organizations will be able to produce innovative products and services.

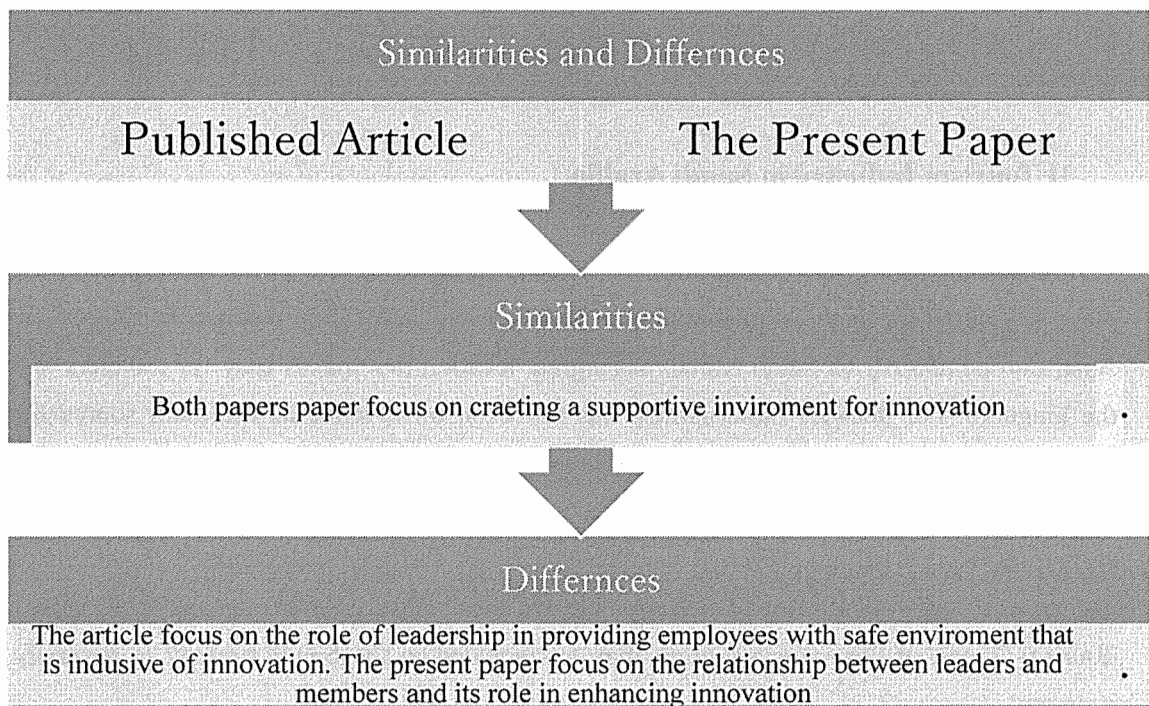
A major difference between the article and the present paper is the focus of the study. In other words, in the article the focus is leadership and its role in creating a safe environment for employees to be able to improve their creative and innovative skills. On the other hand, the present study analysis the relationship between leaders and members and the effect of the relationship on creativity and innovation dynamics in SMEs. In the article I mentioned that the purpose of applying Robust Systems is to convert system blindness into system sight. Blindness inside the system creates a lot of stress, lack of understanding and non-transparency. All these factors can cripple any innovation activity and limit the ability of SMEs to be innovative. One can see here that the analysis is including the organizational environment and the role of leadership in enhancing it. In the present study, I argue that high-quality LMX relationship between leaders and members can help SMEs to enhance Disruptive Innovation in SMEs. The main analysis of this

paper is the affect of relationships between leaders and members on the dynamics of innovation.

VII Conclusion

In this part, I discussed the goals and the objectives of the article. I also explained the dynamics of Disruptive Innovation in unpredictable and ambiguous markets. Moreover, the role of Relational Leadership as a tool to generate innovation has been analyzed. In addition, I talked about the role that environments play when they function as Robust Systems to support innovation. Finally, I mentioned and connected the hypothesis of the article to the research questions of this paper.

Figure 33: Similarities and Differences between the two papers



Source: Made by the Author

Part VI Tourism Industry in Saudi Arabia and Japan: Policies, Practices, Laws and the Effect of the Fourth Industrial Revolution (4IR) and The Coronavirus Disease (COVID-19) Pandemic

I Introduction

In this part, a light will be shed on the policies, practices, and laws of tourism industry in Saudi Arabia and Japan. In addition, the effect of The Fourth Industrial Revolution (4IR) and The Coronavirus Disease (COVID-19) Pandemic will also be included.³⁶ First, the history, policies, and the characteristics of the tourism industry in Saudi Arabia will be investigated. Following that will a through description about Japanese tourism industry and its unique features. After that, a comparison will be conducted to mention the similarities and differences between the tourism industries in Saudi Arabia and Japan. Another section will be about the effect of The Fourth Industrial Revolution (4IR) and The Coronavirus Disease (COVID-19) Pandemic on the tourism industry in Saudi Arabia and Japan. Finally, I will include a conclusion section that summarizes the analysis of this part.

II Tourism Industry in Saudi Arabia

As a leading country in both the Arabic and the Islamic world, Saudi Arabia has always been a place of interest for many people. With a great geographical location that can be accessed from Asia, Europe and Africa Saudi Arabia has a great location that makes easy for travelers to visit the kingdom. For decades Saudi Arabia has relied on oil revenue as the main source for its economy. However, many countries around the world are trying to rely more on renewable energy such as electricity and solar energy because they are environmentally friendly resources.³⁷ This shift from using traditional energy sources such as oil and gas has pressured Saudi Arabia to change its strategy and to adopt a more flexible and sustainable resources to support the economy. Tourism is one of the main resources that are included in the Saudi strategy to diversify its economy.

Saudi Arabia has always been one of the most popular places for spiritual tourism for Muslims around the world.³⁸ The reason behind this is because Saudi Arabia the most two holiest mosques

³⁶ Coronavirus Disease (COVID-19) is a deadly virus that attacks the respiratory system. It has been defined as a group of highly diverse, enveloped, positive sense, and single stranded RNA viruses. They cause diseases involving respiratory, enteric, hepatic, and neurological systems with vary severity among humans and animals (He, F. et al., 2020: 719).

³⁷ Clean Energy can meet the demands of the global market on fuel without harming the environment. Some research claim that the aim of clean energy is to provide better efficiency, better resources use, better cost effectiveness, better environment, better energy security, and better design and analysis (Dincer, I. and Acar, C. 2015: 586).

³⁸ The Islamic world is called on the countries that consider Islam Religion as the main religion in the country. it

in Islam Religion. The first mosque is the Grand Mosque of Mecca, and it is in Mecca city which is the birthplace of Islam Religion³⁹. The second mosque is The Prophet's Mosque in Medina city and it is located in the western side of Saudi Arabia. Spiritual tourism in Saudi Arabia has always been the strongest and the most profitable tourism sector. Most of the profits go back to charity organizations in Saudi Arabia and a small percentage goes to public institutions. Most visitors go Mecca in Pilgrimage Month (Dū al-Ḥijjah) which is the last month in the Islamic calendar⁴⁰. The place for pilgrimage for Muslims is in Mecca city in Saudi Arabia. After finishing from pilgrimage in Mecca city, pilgrims go Medina city which is also known as the city of the Prophet Mohamed⁴¹. More than three million pilgrims visit the kingdom every year to do the annual Islamic Pilgrimage in Mecca and Medina (Omoden, et al., 2021: 1).

In the last few years, the Kingdom of Saudi Arabia has been working towards making the country one of the biggest tourist destinations in the world. In cooperation with national and international investment institutions Saudi Arabia has released major tourist projects such as Neom Project, Red Sea Project and Qiddiya Project. First, Neom Project and the aim is to build a city from scratch in the western side of the kingdom and it will be a smart city that uses the latest technology, and it is planned to be one of the most popular tourist spots in the world (Khalid. A., 2019: 181). Second, The Red Sea Project which is a luxurious tourist destination that is being built on the coastal lines of the Red Sea in Western Saudi Arabia. The Red Sea Project will be one of the most important projects for the tourism industry in Saudi Arabia. Third, Qiddiya Project is another megaproject that is built near Riyadh City which is the capital city of Saudi Arabia. It is an entertainment project that will include tourist spots such as theme parks, sports stadiums, museums, and public parks.

The government of Saudi Arabia is planning to make the tourism industry as one of the biggest in the world. Spiritual tourism and the new megaprojects will boost the tourism industry in Saudi Arabia and make a great economical resource. However, Saudi Arabia is the birthplace of Islam, and it is considered one of the most influential countries in the Islamic world. The laws of the tourism industry are hugely affected by Islam religion. For example, drinking alcohol is prohibited in the kingdom and tourists are not allowed to drink in public places. Also, adult entertainment activities and night clubs are against the Islamic rules and are not allowed in Saudi Arabia (Amro M., 2019: 663). Like any other country, Saudi Arabia is trying to attract tourists from all around

spreads throughout Europe, Asia, and east Europe. Saudi Arabia is considered one of the most important countries in the world because it is the birthplace of Islam and it has the two most holiest mosques in Mecca and Madinah cities.

³⁹ Mecca city is considered the birthplace of Islam Religion because the Prophet Mohamed was born in Mecca City. In addition to that, during pilgrimage time Muslim people go to Mecca to visit the holy places of Islam Religion.

⁴⁰ Islamic calendar has twelve months which are Muḥarram, Ṣafar, Rabī' al-Awwal, Rabī' al-Thānī, Jumādā al-Awwal, Jumādā al-Thānī, Rajab, Sha'bān, Ramaḍān, Shawwāl, Dhū al-Qa'dah, and Dhū al-Ḥijjah. Pilgrimage Month (Dū al-Ḥijjah) is the last month in the Islamic calendar.

the world to visit the country. Rules such as the banning of drinking alcohol might lure away foreign tourists. To combat that the government of Saudi Arabia changed a lot of the procedures that foreign tourists go through when applying for tourism visa and make them cheaper and faster. Most foreign tourist spend less than thirty minutes to issue a tourism visa electronically and it is valid for three months. Such procedures can help to attract more tourists to Saudi Arabia and Reduce the effect that Islam religion has on the rules of tourism industry.

III Tourism Industry in Japan

Japan has always been a popular place for tourist who visit East Asian countries. There are many reasons behind the popularity of Japan among foreigners. Japanese culture that is being represented in Japanese animation, comic books and TV shows has a great influence inside and outside Japan. Moreover, the Japanese cars and electronical products that are considered of high quality and reasonable prices have made a great impact on global markets all around the world. The soft power of Japan that comes from animation, TV shows, comic books and other manufactured products such as electronical machines and vehicles make a great impact on the image of Japan globally. Moreover, the soft power distributed through entertainment industry does not only help to promote tourism, but also works as a mean to introduce the Japanese culture and history to the world (Otmazgin, N. K. 2008: 74). In addition to the mentioned factors, the Japanese modern public transportation systems and high safety rates and developed infrastructure add to the popularity of Japan as tourist destination.

Japan is rich with natural, cultural, and historical places that spread throughout the country. From Hokkaido to Okinawa, tourist can find many attractive and interesting places that provide entertaining and educational opportunities for them. Since this research is analyzing Kansai Region, I will focus on the tourism industry within Kansai Region. Beautiful nature, landscapes, historical places, and other entertainment activities can be found in Kansai Region. Places like Osaka, Kyoto, Kobe, and Okayama can provide rich and diverse activities for tourist. Visitors enjoy going to hot springs, visiting historic shrines, famous castles and visiting natural parks in warm weather are reasons that attract tourists to visit the region (Nishimura and Fukushige, 2009: 9). In addition to beautiful nature and historic shrines and castles, Japanese food also play a major role in Japanese tourism for foreigners. Different areas in Japan provide different dishes that can richen the experience of travelers in Kansai Region. For instance, the food in Kansai region has a strong salty and sweet taste and a deep color comparing to other areas in Japan like Kanto Region (Matoba, 2002: 223). Kansai Region has many characteristics that make it one of the most popular destinations for tourist in Japan.

One of the challenges that Japanese society is facing is the increased number of aging

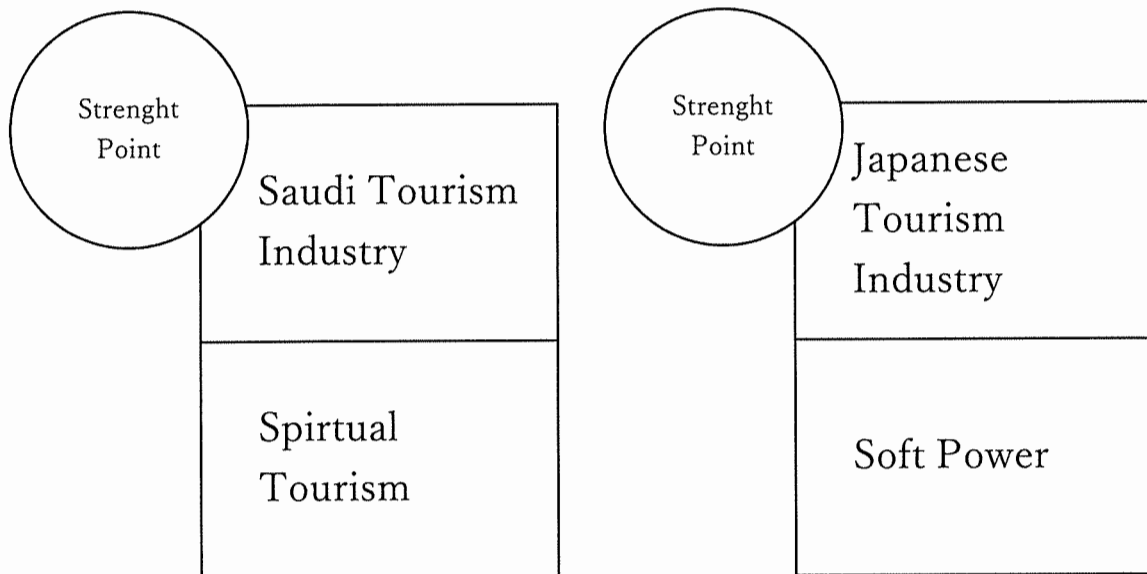
population and the decline in birth rates over the past few decades. This has its impact on all aspect of the social and economic situations in Japan. The hospitality industry is said to be the best in the world, but the shortage in workers can have a negative impact on it. Another challenge that is facing the tourism industry in Japan is natural disasters such as earthquakes and typhoons. They can impact the number of visitors in a negative way, and it can lead to a decrease in the number of visitors to Japan. For instance, the Great East Japan Earthquake that happened in 2011 lead the number of tourists to decrease in huge percentage. To combat these challenges Japan is using modern technology as methods that can help the tourism industry overcome the challenges it faces. Robots, IoT technology, big data and AI are some of the methods that will be utilized to solve the problems facing tourism industry in Japan (Oyabu, T., et al 2020: 156-158).

IV Similarities and Differences between Saudi and Japanese Tourism Industry

There are some similarities and differences between the tourism industry in Saudi Arabia and Japan. First, the sources of strength in the tourism industry in Saudi Arabia and Japan are different. In Saudi Arabia, spiritual tourism is strong because Saudi Arabia has the two holiest mosques in Islam religion. Spiritual tourism in Saudi Arabia has always been a source of power for the tourism industry in the country. On the other hand, the source of power of Japanese tourism industry comes mainly from soft power. Animation, comic books, TV shows, and movies has a great popularity outside Japan, and it acts as a source of attraction for tourists. Also, car industry electrical goods and manufactured products are popular because of their high quality and low prices. This can improve the image of Japan for foreigners and as a tool for attraction for the tourism industry in the country.

Tourism industry faces various challenges that differ from country to country. In Saudi Arabia the reliance on spiritual tourism is not helping the industry to divers its sources of profit. Another challenge that faces tourism industry in Saudi Arabia is the lack of modern and strong public transportation system that allow visitors to move freely and comfortably in Saudi Arabia. However, challenges in the Japanese tourism industry are different and it is mainly related to the decline of birth rates. This problem can affect the tourism industry in the form of shortage of workers. The human element is essential in many of the tourism industry facilities such as hotels, restaurants, theme parks and other entertainment projects. For tourism industry in Saudi Arabia and Japan one can find that challenges are different, and each country is trying to overcome the challenges and achieve the desired goals.

Figure 34: Strength Points of Saudi and Japanese Tourism Industry



Source: Made by the Author

(1) Differences Between Saudi and Japanese Tourism SMEs

In the section above, I explained the general characteristics that differentiates between Saudi Arabia and Japan in the tourism industry. Now, I would like to identify the similarities and differences of Saudi and Japanese tourism SMEs based on the data I collected. I will provide examples and situations that will provide an explanation of the differences between Saudi and Japanese tourism SMEs. In general, the differences that distinguish Saudi and Japanese tourism SMEs are location of operation, the use of technology, and the variety of products and operations of the company.

(2) The Geographical Location of Operation of Saudi and Japanese Tourism SMEs

One of the differences that were clear in the data I collected from Saudi and Japanese tourism SMEs is the geographical location of operation. For example, all the three companies from Saudi Arabia are operating in big cities. On the other hand, two out of three companies in Japan were operating in rural areas in Kansai Region. Only one company from Japan that was represented by J.H. operated in Osaka City. This can be due to several factors such as the fact that Saudi Arabia is mostly a desert. The hot desert climate makes it difficult for people to live in rural areas and they usually have little activities in that area. However, in Japan rural areas are considered beautiful places that people can live and have many educational and business activities.

There are a few factors that affect and differentiate between tourism SMEs that operate in big

cities and rural areas. One of the most important factors is health pandemics and economic changes in the market. For instance, COVID-19 Pandemic has a huge affect on tourism industry all around the world. However, according to the data of this study, tourism SMEs that operated in rural areas were less harmed by the pandemic due to the low number of COVID-19 cases compared to big cities. For example, two of the participants G. L. and K.Z. say that their business is doing well. The reason is because both of them operate in rural areas and away from big cities. On the other hand, the three participants from Saudi Arabia A.B. J.S. and A.D. agreed that coronavirus pandemic has a negative effect on the tourism industry. According to the collected data above, geographical location of operation is one of the differences between Saudi and Japanese tourism SMEs. Also, this factor helps Japanese tourism SMEs to take less damage than Saudi tourism SMEs during COVID-19 Pandemic.

(3) Technology Utilization and Implementation in Saudi and Japanese Tourism SMEs

From the data collected from Saudi and Japanese tourism SMEs, I found that the use of technology is different. From the survey I found that Saudi tourism SMEs relay more on new technological solutions to manage their business and promote and market their products. On the other hand, one company out of three companies in Japan says that they are using technological solutions in the operations. This may be due to the fact that some Japanese tourism SMEs focuses their activity on traditional Japanese hotels that provide original and classical experience for foreign tourists who would like to experience authentic Japanese culture.

All the companies from Saudi Arabia say that they are using the new technology and thinking of integrating more technology into their business. On the other hand, we find that two Japanese companies say that they do not use these technologies in their operations. For example, J.S. and his team from Saudi Arabia developed a disruptive innovation based on robotics technology and cloud computing technology. Another example from Saudi tourism SMEs, A. B. who says that his company is developing a new product using the technology of Virtual Reality (VR). On the other hand, in Japan only one company represented by J.H. mentioned that his company is developing a new phone application to promote their products.

(4) The Difference in The Variety of Products and operations in Saudi and Japanese Tourism SMEs

One of the differences that was clear from the data collected in this research is the variety of products and operations of Saudi and Japanese tourism SMEs. In other words, where Japanese companies focused on providing few selected products for customers, Saudi tourism SMEs have various products for customers. All the three companies from Saudi Arabia mentioned that their

operation target more than one targeting strategies when it comes to marketing and diversification of product. However, in Japanese tourism SMEs, two out of the three companies mentioned that their operation focused mainly on hotel services.

Now I would like to provide some examples that clarify the points mentioned above. For example, the company of A. B. from Saudi Arabia provides a variety of tourism activities and specializes in religious tourism. In addition, they provide different services that are related to visa issuing and tourism trips. Also, the company of J.S. provides a lot of services in the hotel and food industry. Their food services are mainly targeting hotels in Makkah Region. On the other hand, we find all the three companies in Japan target only one set of services and products in their business. For instance, two of the participants G. L. and K.Z. say that their business focuses on traditional Japanese hotels. They focus on providing an authentic Japanese experience for customers. J.H. mentioned that his company provides tourism activities in Osaka area. Although, J.H. involve in organization where they interact frequently with visitors from outside Japan, they do not provide services related to visa issuing like the case in Saudi tourism SMEs.

Figure 35: Differences between Saudi and Japanese Tourism SMEs

Differences Between Saudi and Japanese Tourism SMEs		
The Geographical Location of Operation	Technology Utilization and Implementation	The Difference in The Variety of Products and operations

Source: Made by the Author

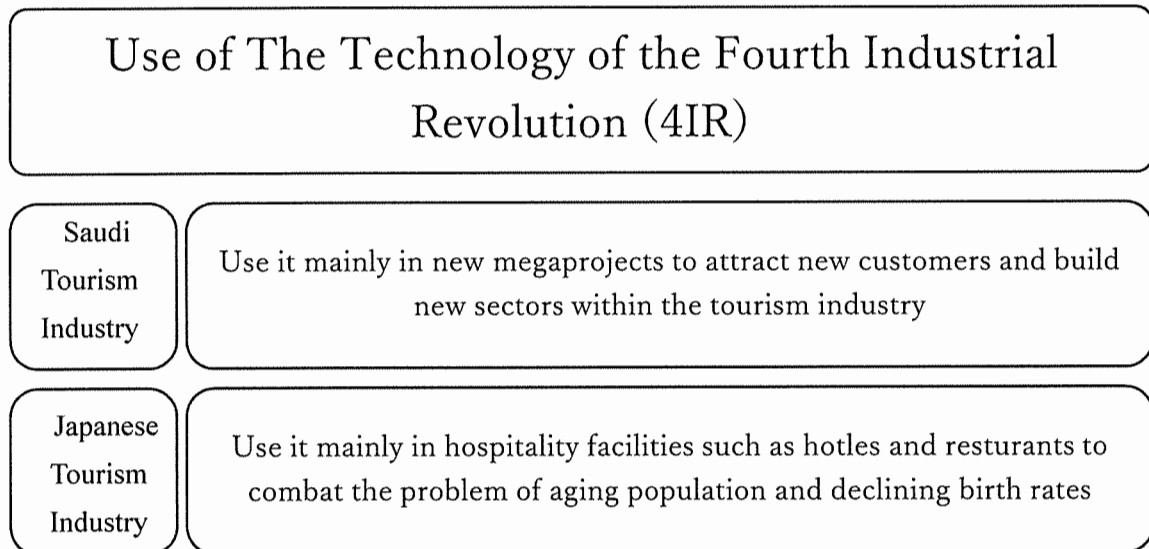
V The effect of The Fourth Industrial Revolution (4IR) On Tourism Industry in Saudi Arabia and Japan

To overcome the challenges and attract more tourists Saudi Arabia and Japan are using the

technology of The Fourth Industrial Revolution (4IR). In Saudi Arabia the government is building megaprojects to create growth opportunities for economic and tourism sectors. Technologies such as 5G, Big Data Analysis, Artificial Intelligence, Internet of Things and Cloud Computing will be the basis of Neom Project and other big tourism project in the country. The government of Saudi Arabia is not only trying to use the technology of The Fourth Industrial Revolution (4IR) to overcome challenges, but also to create new possibilities in the tourism industry world. In Neom Project the city will use Artificial Intelligence to manage the public facilities. Also, it will use Autonomous Driving Technology in its public transportation system. Neom Project is believed to be the biggest smart city in the world that uses the latest technology of the Fourth Industrial Revolution (4IR) to manage the different facilities inside the project (Aloatibi, L., and Lila S., 2021: 318). Inside Neom Project there will be a city called The Line which extends for 170 KM, and it will rely on the latest technology to build its infrastructure⁴². Other megaprojects such as Red Sea Project and Qiddiya Project will include the latest technology of the Fourth Industrial Revolution (4IR) but to a lesser degree. The use of the technology of the Fourth Industrial Revolution (4IR) will help the tourism industry in Saudi Arabia to overcome the challenges it faces, and it will create a new opportunity for the industry.

In Japan the problem of aging is affecting all areas of life including tourism industry. Innovation is one of the options that Japanese tourism industry can use to minimize the negative effect of the problem of aging and birth rate decline. Shortage in workers can have a huge impact on any industry, but it is especially devastating for industries that depend on human resources such as hospitality sector which is a part of tourism industry. Using latest technology such as Autonomous Driving Technology will help to make up for the deficiency. Some hotels and restaurants in Japan are using robots to compensate for the shortage of workers. Artificial Intelligence and Internet of Things can provide many solutions and create new chances for the tourism industry in Japan (Oyabu, T., et al 2020: 155-159). Like any other industry the Japanese tourism industry is facing some hurdles on its way to success and using the technology of Fourth Industrial Revolution (4IR) will enable organizations to innovate and come up with solutions for the problems they are facing.

Figure 36: Use of the Technology of the Fourth Industrial Revolution (4IR)



Source: Made by the author

VI Saudi and Japanese Tourism Industry and Coronavirus Disease (COVID-19) Pandemic

The Coronavirus Disease (COVID-19) Pandemic ⁴³ has caused many industries, organizations, and countries to face the danger of bankruptcy. The pandemic started in China, and it spread quickly to hit most countries of the world. Some industries in particular, faced the most damaging effect as a result of the spread of The Coronavirus Disease (COVID-19). The aviation industry and the tourism industry which include hospitality and food industry have all been affected negatively by the pandemic (Laing, T. 2020: 580). This paper is investigating the tourism industry in Saudi Arabia and Japan. Therefore, the analysis will only include the tourism industry in Saudi Arabia and Japan.

Saudi Arabia has been affected by The Coronavirus Disease (COVID-19) Pandemic in many industries. Almost all sectors of the economy were affected by COVID-19 in Saudi Arabia, however the airlines sector was the first industry to be affected. In 2020 Saudi Arabia suspended international flights from March 15 and domestic flights from March 21 in response to

Coronavirus Disease (COVID-19) Pandemic. This had a major impact on the tourism industry in Saudi Arabia. For the first time since its establishment in 1932 visitors from inside and outside Saudi Arabia were not able to go to the Grand Mosque of Mecca City, and the Prophet's Mosque in Medina city. And since the tourism industry in Saudi Arabia is relying heavily on spiritual tourism the impact was huge and immediate. The new tourism visa that was launched in September of 2019 allows more than 51 nationalities to enter the Saudi Arabia and enjoy its tourism attractions. However, the Coronavirus Disease (COVID-19) Pandemic has destroyed all the plans that the Saudi government had to revive the tourism industry. Small and Medium Enterprises (SMEs) in Saudi Arabia are very important and their contribution to GDP is 28.7% in 2018 (Parveen, M. 2020: 3-14). The Saudi economy and the tourism industry has been hit by the Coronavirus Disease (COVID-19) Pandemic, but the government is trying to pump life back again into these important sectors.

Japanese economy, Small and Medium Enterprises (SMEs), and tourism industry were all affected by the Coronavirus Disease (COVID-19) Pandemic. Domestic and international flights were suspended causing a lot of businesses and organizations to close down forever. A state of emergency was declared on 7 April 2020 in seven prefectures (Tokyo, Saitama, Chiba, Kanagawa, Osaka, Hyogo, and Fukuoka); this was expanded to all 47 prefectures on 16 April 2020. This caused the tourism industry to face a devastating consequence that led to a long-term crisis. A survey that has been done by The Japan Tourism Agency showed that between March to June in 2020 the number of hotel guests staying in business hotels, resort hotels, city hotels, and ryokan decreased by 48.9–84.9% compared with the same period in 2019. In addition to that, more than 32 million foreign visitors came to Japan in 2019, but only 4 million visit the country in 2020. To minimize the effect of the Coronavirus Disease (COVID-19) Pandemic on the tourism industry, the Japanese government initiated the “Go To Travel” campaign. The campaign offered drastic discounts on hotel charges and issued coupons that acted as a “cash back” system and that could be used for any type of consumption at travel destinations, thereby increasing consumer demand with the aim of stimulating economic activity at local level (Anzai, A., and Nishiura, H. 2021: 1-8). However, due to the severity of the number of people who were affected by the Coronavirus Disease (COVID-19) Pandemic, the campaign did not really achieve its goals. Like most countries in the world, the economic and tourism sectors in Japan have been affected negatively by the Coronavirus Disease (COVID-19) Pandemic.

VII Conclusion

In this part, I analyzed the policies, practices, and laws of tourism industry in Saudi Arabia and Japan. I followed that with an analysis of the effect of The Fourth Industrial Revolution (4IR) and

The Coronavirus Disease (COVID-19) Pandemic on Saudi and Japanese tourism industry. In addition, the history, policies, and the characteristics of the tourism industry in Saudi Arabia has been investigated. The Japanese tourism industry and its unique features have been also included. After that, a comparison between the similarities and differences between the tourism industries in Saudi Arabia and Japan was shown. Finally, The Fourth Industrial Revolution (4IR) and The Coronavirus Disease (COVID-19) Pandemic on the tourism industry in Saudi Arabia and Japan was talked about in two different sections.

Part VII Results and Contributions: Breakthrough, Discoveries and Uniqueness

I Introduction

In this part I will talk about the results, contributions, breakthroughs, discoveries, and the uniqueness of this paper. First, I will mention the factor of Leader-Member Exchange (LMX) and Disruptive Innovation in Tourism SMEs. The originality of the analysis regarding Leader-Member Exchange (LMX) and Disruptive Innovation in Tourism SMEs will be discussed. After that I would like to mention the distinctiveness that comes from the prior research. There are unique points of this research that come from comparing it to past studies and these points will be mentioned. Finally, the unique points of this paper that is regarding the linking of leadership, creativity, and innovation will be examined.

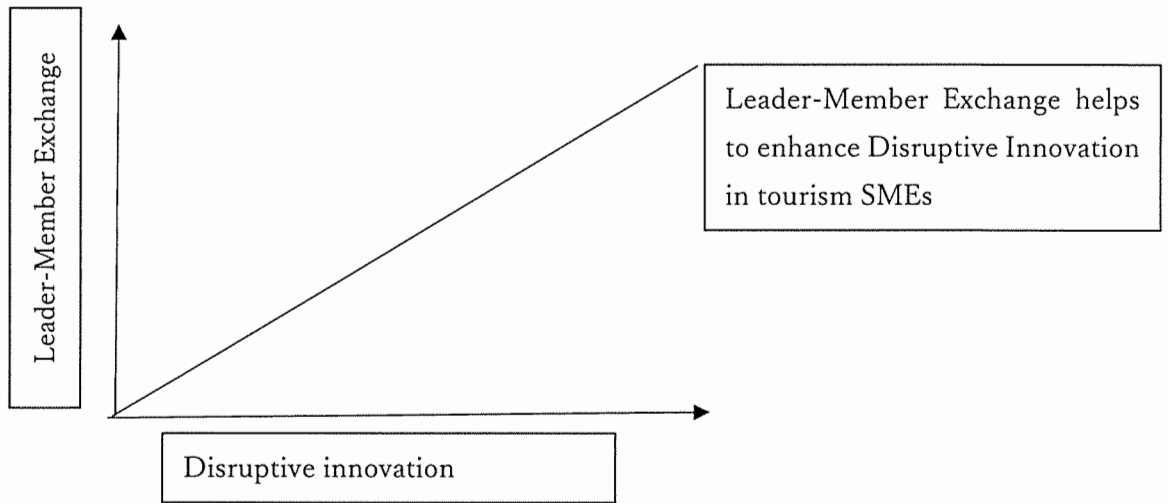
II Leader-Member Exchange (LMX) and Disruptive Innovation in Tourism SMEs

The objective of this research was to investigate the effect of Leader-Member Exchange (LMX) on Disruptive Innovation in Saudi and Japanese tourism SMEs. There were two hypotheses on this study that have been tested in Saudi and Japanese tourism SMEs. First, LMX can help to enhance disruptive innovation performance in tourism SMEs. Second, Disruptive innovation and LMX have a positive correlation relationship. The following propositions have been used to test the hypothesis of this research. One, the clarification of the dynamics of Disruptive Innovation in tourism SMEs was analyzed and that by clarifying the main elements like leadership behavior regarding disruptive innovation, followers' reaction towards disruptive innovation process and ideal environmental factors for disruptive innovation. Two, the relationship between Leader-Member Exchange quality and the enhancement of Disruptive Innovation in tourism SMEs was investigated. Three, whether the improvement in the exhibition of Leader-Member Exchange and Disruptive Innovation methods can lead to a more efficient organizational performance was tested. Finally, the effect of The Fourth Industrial Revolution (4IR) on tourism SMEs in Saudi Arabia and Japan was examined.

According to results that have been taken from the interviews I did with Saudi and Japanese tourism SMEs; I argue that high-quality LMX relationship can help to enhance Disruptive Innovation in tourism SMEs in Saudi Arabia and Japan. First, the relationship between leadership and innovation is a strong one and, it has been said that leadership is one of the most powerful elements in innovation (Mumford, M. et al., 2002: 707). Leadership is responsible for preparing the right circumstances for employees to be able to develop their creative and innovative skills. When leadership focuses on profits and ignores the well-being of employees, the innovation

performance deteriorates. That is why in this paper I state that the use of LMX leadership style can help to overcome this challenge and enhance the innovation performance in SMEs. When leaders start to focus on building healthier relationships with members, the culture of the organization changes for the better. The environment of the organization changes from a suppressive environment, to a safe and encouraging environment. In addition to that, employees will feel safe to share their ideas and this will lead to the enhancement of creativity and innovation. Sharing ideas freely is important for producing creative ideas, because creative ideas are the raw material for innovation. Some researchers have found that organizational climates that support emotional safety and dynamism and risk-taking propensity can be effective in developing innovation performance (Thiruvankadam, T., and Kumar, K. S. 2018: 165). LMX makes it possible for leaders of SMEs to be emotionally supportive of their employees and encourage them to take risks and develop their skills and deepen their knowledge about their profession. High-quality LMX relationships between leaders and members can lead to healthy and meaningful relationship, and that has a positive effect on creativity and innovation. If leaders provide employees with an organizational environment that is safe, healthy, and supportive, that will lead to the enhancement of creativity skills and innovative skills of employees. When employees feel safe and secure to come up with new and creative ideas, this will act as the first building block for innovation.

Figure 37: Validity of the Hypothesis



Source: Made by the author

III The Uniqueness Based on The Past Literature Review

I mentioned in the literature review section that there are three main points that distinguish this research from previous studies. The unique points are the field of the research, methodology and theoretical framework. Almost all the previous studies that investigated the relationship between leadership and innovation in SMEs has been done in one country. According to my knowledge, this paper is the only comparative study that investigate the effect of LMX on Disruptive Innovation in tourism SMEs in two different countries. Other studies have investigated Disruptive Innovation and LMX separately. In addition, some studies have examined the relationship between Disruptive Innovation and other leadership styles, such as Transformational Leadership. However, this paper is the only paper that studies the relationship between LMX and Disruptive Innovation in tourism SMEs in two different countries.

The methodology that has been used in this paper is another unique point that differentiates this study from previous research. Except for one study, all the previous research used a quantitative methodology to conduct their research. Using a qualitative method to analyze leadership and innovation behavior in organizations can provide a deeper understanding for researchers. Asking open ended questions that allow participants to voice their opinions can be useful in understanding how leadership operates in relation with other factors such as innovation. Leadership and innovation are complex phenomena that require researchers to analyze them from different angles and use different methods. This paper utilized a qualitative methodology that can provide a unique perspective in understanding leadership and innovation and encourage other researchers to use different methods.

The third point that distinguishes this research from previous studies is the theoretical framework. Previous studies have analyzed different leadership and innovation theories. However, no study has investigated the impact that LMX has on Disruptive Innovation in SMEs. Some studies have analyzed LMX, and other studies have investigated Disruptive Innovation. Nonetheless, no study has investigated LMX and Disruptive Innovation together. This study is unique and different from other studies because it analyzes the impact of LMX on Disruptive Innovation in tourism SMEs. By looking at the previous studies, it is clear that both LMX and Disruptive Innovation are important for SMEs. Analyzing LMX and Disruptive Innovation separately is important, and it provides a focused perspective. Also, studying LMX and Disruptive Innovation in relation with other theories such as Innovative Work Behavior or Transformational Leadership can be useful in understanding the different dynamics of leadership and innovation. However, this paper analyzes LMX and Disruptive Innovation dynamics in tourism Saudi and Japanese SMEs which makes it unique and adds theoretical contribution to the fields of leadership and innovation. In conclusion, there are three main points that distinguish this paper from previous research. The three points are field of the research, methodology and theoretical framework. Each point is unique, can help to broaden our standing of leadership and innovation, provides a distinctive perspective, and adds value to leadership and innovation research.

IV The Analyzing of the Relationship Between Leadership, Creativity, and Innovation

One of the unique points of this paper is the linking of leadership, creativity, and innovation together. When searching the literature, one can find a lot of studies that examine leadership and innovation, innovation and creativity or leadership and creativity. However, research that examines the relationship of these three factors together is still rare. I explained the relationship between leadership, creativity, and innovation and how they interact and work in relation to each other in SMEs. In this paper I argue that leadership, creativity, and innovation are inseparable and for SMEs to produce successful innovation results they need first to have a supportive, encouraging, and transparent leadership. It all starts with leadership and without the support of leadership there will be no creativity and there will be no innovation. For SMEs to produce innovative products and services, they need creative ideas.

One of the main ideas of this research is the leadership definition that we come up with after reviewing the literature. Our definition of leadership is the act of influencing others through building healthy, meaningful, and transparent relationships with followers that lead to the development and growth of their creative, innovative, job-related skills and personal skills. Leadership is the main element because if leadership does not provide the proper environment for

creativity innovation will not be produced, and that is why I think that leadership, creativity and innovation are inseparable, and they are all important for the end result which is successful disruptive innovation.

For SMEs to produce innovative products and services, they need creative ideas. Creative ideas are produced by employees, and they need to develop and enhance their creative skills to do that. Creativity skills are developed in safe and secure organizational environments. In such environments, leaders are supportive and provide the emotional security that employees need. When leaders do, those employees in SMEs will feel satisfied and motivated to be creative and innovative. I mentioned before that without Disruptive Innovation, companies might lose their combat against new entrants to the market and lose their market share. Therefore, focusing on radical innovation types such as Disruptive Innovation is a necessity for SMEs if they want to survive for the long term.

V Conclusion

In this part I mentioned the unique characteristics and discoveries of this research. There are three main points that make this research distinctive from other studies. One, the analysis of the effect of Leader-Member Exchange (LMX) on Disruptive Innovation in Saudi and Japanese tourism SMEs is one of the unique points that make this paper unique. I argue that Leader-Member Exchange (LMX) can help to enhance Disruptive Innovation in tourism SMEs in Saudi Arabia and Japan. Two, I talked about the uniqueness of this paper in comparison to past research. The three main points that distinguish this research from previous studies are the field of the research, methodology and theoretical framework. Finally, I explained the relationship between creativity, innovation and leadership which is different from other research because it combines all three points together.

Part VIII Summary and Conclusion

I Introduction

I have examined the dynamics of leadership and innovation and they interact with each other in organizations. After that I talked about the problem of traditional leadership and how it can impact productivity negatively. In addition, I mentioned the difference between incremental innovation and radical innovation and the different process they go through in the marketplace. Now, I would like to talk about the summary and original contributions of this paper.

The points of originality and contributions will be discussed in the following sections. I will focus on the problems related to Disruptive Innovation in Saudi and Japanese tourism SMEs and the role that LMX play in helping organizations to overcome challenges related to innovation.

II The Analysis of the Dynamics of LMX and Disruptive Innovation in Tourism SMEs

This study examined the relationship between LMX and Disruptive Innovation in Saudi and Japanese Tourism SMEs. Although there is a strong relationship between leadership and innovation most studies that analyses LMX and Disruptive Innovation separately. This study examines them LMX and Disruptive Innovation together. This adds to the research of tourism industry because it provides a unique angle. It can help researchers to deepen their understanding about leadership and innovation in general and LMX and Disruptive Innovation in particular.

This study argued that high-quality LMX relationship between leaders and members can enhance Disruptive Innovation capabilities in tourism SMEs in Saudi Arabia and Japan. It analyzed the role relationships play in enhancing creativity and innovation skills of organizations. This is different from prior research where the focus is usually done on either LMX or Disruptive Innovation.

III Research Methodology and Research Sample

In this study the research methodology that has been used is different than those of similar studies. Most relevant studies have used quantitative methodologies to examine the relationship between leadership and innovation in tourism SMEs. This study analyzed the interaction between LMX and Disruptive Innovation in tourism SMEs using qualitative methodologies. This distinguishes this study from other research, and it adds to the literature of leadership and innovation.

The research sample of this research has been taken from Saudi and Japanese tourism SMEs. Most relevant research focus on examining leadership and innovation of tourism SMEs in one country. This study provides something different by analyzing the dynamics of LMX and Disruptive Innovation in different geographical locations. Leadership and innovation can be affected by the surrounding environment, and the present study contributes to the literature by examining the interaction of LMX and Disruptive Innovation in two different environment which are tourism SMEs in Saudi Arabia and Japan.

IV The Examination of The Role of The Fourth Industrial Revolution (4IR) In Tourism SMEs

This study examined the role that The Fourth Industrial Revolution (4IR) has in tourism SMEs in Saudi Arabia and Japan. I examined the challenges that the tourism industry in Saudi Arabia and Japan are facing. After that I explained how companies in Saudi Arabia and Japan are using the technology of The Fourth Industrial Revolution (4IR) to overcome these challenges.

Although both the Saudi and the Japanese companies are using the technology of The Fourth Industrial Revolution (4IR), the way they use it and the purpose of using it is different. Japanese tourism companies are using the technology of The Fourth Industrial Revolution (4IR) to combat the problem of shortage of workers that stem from the problem of the declining of birth rates. On the other hands, Saudi tourism companies are using the technology to attract new customers and create new markets. The analysis of the use of the technology of The Fourth Industrial Revolution (4IR) in tourism SMEs can help to understand its effect on leadership and innovation.

A few studies have examined the impact of The Fourth Industrial Revolution (4IR) on tourism industry. This study shed the light on the importance of The Fourth Industrial Revolution (4IR) technology and the role it will play in shaping our world. I mentioned before that leadership and innovation are affected by the environment in which they operate. The technology of The Fourth Industrial Revolution (4IR) can change the environment around us and that will impact the dynamics of leadership and innovation.

Part IX Policy Recommendations

I Introduction

In the previous sections I discussed the objectives of the study, the findings, the uniqueness of this paper and the theoretical and practical contributions. In this section I would like to talk about the policy recommendations that are going to be based on the findings and discoveries of this paper.

The relationships and connections between the original points, contributions and policy recommendations of this study will be clarified. The policy recommendations of this study are as follows.

II Tourism SMEs and the need for Disruptive Innovation in The Age of the Fourth Industrial Revolution

I believe that tourism SMEs need to utilize Disruptive Innovation methods into their corporate strategies. I explained before how most SMEs focus on incremental innovation that aims to add small changes on products and services. This can lead SMEs to lose their market share when the new entrants to the market produce a disruptively innovative product. I have mentioned earlier that many companies have failed to stay strong in the market after new entrants presented a new and disruptively new product. The reason is because most of these companies were putting most of their energy on incremental innovation and making small improvements on products.

The need for Disruptive Innovation is even greater in the Age of the Fourth Industrial Revolution. The reason is because in the Age of the Fourth Industrial Revolution one can find that many changes in the market happen almost every day. New technologies and inventions that change how organizations operate their businesses are entering the market continuously. This led to the changes of policies and procedures which can create challenges for many organizations. Finally, I claim that Disruptive Innovation is important for SMEs because of two reasons. One, the new and rapid changes in the market create many challenges for organizations and innovation can help to overcome these challenges. Second, if organizations neglect Disruptive Innovation, they risk to lose their market share to the new entrants to the market that usually depend on disruptively innovative products to go up the market.

III The focus on leadership methods as a mean to stimulate Disruptive Innovation

I emphasize that researchers should focus on the methods of leadership that can encourage Disruptive Innovation. I mentioned earlier the strong relationship between leadership and

innovation. Leadership is an essential component of any innovative endeavors. That is why I emphasize that researchers study this complex phenomenon especially in SMEs. Unlike big organizations, SMEs have less resources and are more likely to be affected by the rapid changes of the market. This makes SMEs vulnerable to the negative effects that are usually accompanied with rapid change. Innovation is an effective method to be used to overcome the challenges that change brings to the market. SMEs can benefit a lot from using innovation and it can enhance their overall organizational performance.

Studying the relationship between leadership and innovation will allow researchers to understand it better. As a result, organizations of all sizes including SMEs will be able to increase their innovation performance using leadership as the main tool to achieve that. Leadership can provide a safe and secure environment for employees. This allows for better performance and enhances creative and innovative skills. Research can be used to shed light on the relationship between leadership and innovation and can lead to positive results for organizations.

IV Transparency, Safety, and the Importance of Human Connections in Innovative Organizations

I claim that leadership styles that emphasize and focus on building healthy relationships with employees are more likely to be able to produce innovative results. Earlier, I explained the importance of creating safe environments for employees to be able to develop their innovative and creative skills. Traditional leadership that treats employees like robots and expects them to do only what those in leadership positions tell them to do are less likely to show innovative results. This is because leadership styles such as LMX can create transparent and safe environments for employees. Such environments help employees to be more courageous and more prone to take risks and try innovative methods to overcome the challenges. LMX leaders and employees enjoy high-quality relationships that are based on trust and transparency. Innovation is ambiguous and vague and if the relationship between leaders and employees is not healthy and strong, employees will not take the initiative to come up with innovative and new solutions.

LMX methods can be used as a tool to enhance innovation through building high-quality relationships with employees. I encourage leaders to adopt leadership styles such as LMX to help them create a healthy and transparent environment for employees. This will lead to the enhancement of confidence and innovative skills of employees.

V The Need for more Investigation on Innovation Process and Dynamics in SMEs

I believe that there is a need for more investigation on the dynamics of innovation in SMEs. There is a lot of research that is investigating innovation in big organizations. However, the research that is focused on innovation dynamics in SMEs is still scarce comparing to big organizations. I argue that SMEs are more capable of producing innovation results than big organizations. There are a few reasons that help SMEs to engage in innovative activities faster than big organizations. For example, in SMEs there is less bureaucracy and employees can reach managers much faster than big organizations. This allows employees to share their creative and innovative ideas with their managers and that lead to the acceleration of innovation process. Also, the trial-and-error process is easier and much faster in SMEs than big organizations, which allows them to try new ideas and invent new products and test the reaction of customers towards them. For these reasons SMEs can be an innovation machine that being innovative products and services to the market.

The research on innovation dynamics in SMEs will allow researchers to deepen their understanding of how innovation takes place in SMEs. I urge researchers to do more investigation on this matter and explored the different angles of innovation when applied in SMEs.

VI The Tourism Industry in The Fourth Industrial Revolution (4IR)

According to the data analysis of this research we saw that both the Saudi and Japanese companies use technology of the fourth industrial revolution to overcome the challenges that they are facing. However, I believe that the technology of the fourth industrial revolution can be used to create more opportunities, open up new markets and enhance innovation performance in the tourism industries. I insist that leaders of SMEs should invest more resources in these technologies and use them to make disruptive innovative products and services. Technologies such as virtual tourism, artificial intelligence and robots are part of the technology of the fourth industrial evolution, and they can be used to enhance performance and innovation in tourism SMEs. Finally, technology can be used to overcome challenges and open up new opportunities and I believe that leaders of tourism SMEs should let go of the old methos and adopt new ways that are based on the technology of the fourth industrial revolution to achieve their desired outcomes.

APPENDIX 1: QUSSETIONAIERS

1- English Version

Title: Research of Leadership and Innovation in Saudi and Japanese Tourism Small and Medium Enterprises

Introduction: I am Yasser Al-Maloy, a PhD candidate at Osaka Sangyo University. This interview is part of my research which is about the effect of Leader-Member Exchange (LMX) on Disruptive Innovation capabilities in the Tourism Small and Medium Enterprises (SMEs) in the Fourth Industrial Revolution Era. In this research we will make a comparison between the Saudi and Japanese Tourism SMEs to study the effect of LMX on Disruption Innovation and analyze their relationship.

Before answering the questions, here are some guidelines that should be taken into consideration.

1-The participant is not required to answer all the questions.

2-The participant can answer with only (Yes) or (No). However, it would be more helpful for the researcher if the participant could give more details.

3- For the research purposes the answers will be recorded.

4-The information that participants share, will be used only by the researcher and for the research objectives.

5-The information that will be taken from participants will not be shared with a third party under any circumstance.

6-A copy of the research results will be sent to participants if they wish to have a copy.

Thank you for your cooperation in this research.

Questions:

- 1- Name
- 2- The name of the company
- 3- First of all tell us about your company? what are the products or services your company provide?
- 4- When was it established? How many employees work for the company?
- 5- what is your position in the company?
- 6- How do you find the market these days and is it different than before? How?
- 7- How do you describe the leadership style that you think fits best with your business?
- 8- How would you describe the ideal relationship between managers and employees? Why?
- 9- Do you believe that leaders and managers can affect innovation? If so, how?
- 10- Do you think making small improvements on popular products is more important than inventing new products? Why?
- 11- How often do use the new technology like robots, cloud computing and internet of things?
- 12- Do you think these technologies can make your company more innovative? How?
- 13- Do you think these technologies can replace humans in terms of producing innovative products and services? Why?
- 14- Do you think that healthy relationships between managers and employees can be helpful for innovation? Do you think there is a relationship?
- 15- How would you describe the ideal organizational environment? And how it can support creativity and innovation?
- 16- Any final thoughts about any of the above questions?

2- Japanese Version

Title: サウジアラビアと日本の観光の中小企業におけるリーダーシップとイノベーションの研究

Introduction: ご担当者様,

私は大阪産業大学大学院の博士課程の大学院生 アルマルイ ヤーセルと申します。

この研究では第4次産業革命にリーダーシップはどのようにして中小企業の破壊的イノベーションを高めることができるかについて分析しています。研究の範囲は日本の関西地方とサウジアラビアのマッカ州となります。お忙しいところ恐縮ですがよろしくお願い致します。

質問に関する確認事項は下記の通りです。

1-すべての質問に答える必要はありません。

2-回答は（はい）か（いええ）で答えることもできますが、研究の為に詳しく答えていただけると幸いです。

3-調査の目的で、回答が記録されます。

4-アンケートの情報は、調査目的のためだけに使用されます。

5-アンケートから得られる情報は、いかなる状況においても第三者と共有されることはありません。

6-希望する場合は、参加者に調査結果をお送りします。

ご協力いただきありがとうございます。

Questions:

- 1- 名前
- 2- 会社の名前
- 3- 会社の提供するサービスや商品について教えてください。
- 4- いつ設立されましたか。会社で働く従業員は何人ですか。
- 5- 会社での役職は何ですか。
- 6- 最近、市場は以前とは違いますか。どのように。
- 7- 観光業界には最も適しているリーダーシップスタイルについて教えてください。
- 8- リーダーと従業員の理想的な関係について教えてください。
- 9- リーダーや部長がイノベーションに影響を与える可能性がありますか？どのよう
に。
- 10- あなたにとって、どちらの方が大切ですか。現在の人気商品やサービスを改善する
ことですか。新たな商品やサービスを生み出すことですか。
- 11- ロボット、クラウドコンピューティング、モノのインターネットなどの新しいテク
ノロジーをよく使用しますか？

- 12- そのテクノロジーは会社のイノベーション能力にどのように影響しますか。
- 13- イノベーションにはそのテクノロジーは人間より効率的に作用しますか。
- 14- イノベーションにはマネージャーや従業員の質の高い人間関係が必要ですか。
- 15- 理想的な職場環境はどんな環境ですか。
- 16- 上記の質問のいずれかについての最終的な考えはありますか。

3- Arabic Version

Title: في العاملة الصغيرة و المتوسطة الشركات في الابتكار و القيادة حول اليابان السعودية بين مقارن بحث السياحي القطاع

Introduction:

، الامر يهيمه من الى

اليابان في أوساكا مدينة في سانجيو أوساكا جامعة في الدكتوراه مرحلة متطلبات من جزء هي المقابلة هذه و المتوسطة الشركات في الابتكار و القيادة بين العلاقة تبحث والدراسة عبدالواحدالمعلوي، ياسر / للطالب و اليابانية و السعودية الشركات بين المقارنة يتم بحيث مقارنة دراسة هي و ، السياحي القطاع في الصغيرة البسيطة الامور نذكر بعض ان نود الاستبيان اسئلة على الاجابة قبل و .بينهما الاختلاف و التشابه نقاط تحليل : الاستبيان كتابة بسياسة والخاصة

.الاسئلة جميع على بالاجابة يقوموا ان المشاركين على لايشترط

.البحث اهداف تخدم سوف اكثر بتفاصيل الاجابة لكن و ، (لا) او (نعم) ب فقط الاجابة المشاركين بإمكان

.بحثية للأغراض الاجوبة تسجيل يتم سوف

البحثية للأغراض و فقط الباحث قبل من تستخدم سوف المشاركين من المستقاة المعلومات

ظرف اي تحت ثالث طرف مع مشاركتها يتم ولن المعلومات سرية على المحافظة يتم سوف

ذلك في رغبوا حال في للمشاركين البحث نتائج من نسخة إرسال يتم سوف

تعاونكم حسن لكم شاكرين

Questions:

- 1- الاسم
- 2- الشركة اسم
- 3- تقدمونها التي المنتجات و الخدمات عن و فيكم الخاصة الشركة عن حدثنا
- 4- فيها؟ الموظفين عدد وكم ؟ الشركة إنشاء تم متى
- 5- الشركة؟ في عملك طبيعة ماهي
- 6- كيف؟ السابق؟ عن مختلف انه تعتقدون هل و ، الايام هذه السوق تجدون كيف
- 7- بكم؟ الخاص الشركة نشاط مجال في الموظفين و المدير بين المثالية العلاقة تصف كيف ، نظرك وجهة من ؟ لماذا
- 8- كيف ؟ الشركة في الابتكار على تأثير إحداث على القدرة لديهم المدراء و القادة ان تعتقد هل
- 9- بكم؟ الخاصة الشركة نشاط نوع يناسب الذي المثالي القيادي الاسلوب تصف كيف
- 10- من أهم ، العملاء لدى المفضلة الخدمات او المنتجات على تعديلات و تحسينات إجراء ان تعتقد هل ؟ لماذا ؟ كليا جديدة اوخدمات منتجات ابتكار و إستحداث
- 11- ؟ شركتكم في الابتكار على تأثير التكنولوجيا لهذه ان تعتقد هل
- 12- انترنت و السحابية الخدمات و الروبوتات مثل الحديثة التكنولوجيا باستخدام تقومون هل ، شركتكم في ؟ الأشياء
- 13- و الابداع على تأثير لها الشركة في الموظفين و المدراء بين الايجابية و الصحية العلاقات ان تعتقد هل ؟ علاقة هناك ان تعتقد هل ؟ الابتكار
- 14- لماذا ؟ الابداعية الافكار توليد جانب في الانسان محل تحل ان على قدرة الحديثة التكنولوجيا ان تعتقد هل ؟
- 15- ؟ الابتكار و الابداع دعم في البيئة تساهم أن الممكن من كيف و العمل؟ للبيئة المثالية البيئة تصف كيف

16- الاستبيان هذا نهاية في به الادلاء تود شيء اي هناك هل -16

APPENDIX 2: INTERVIEWS

1- Japanese Companies

I Time: 2022/03/22 17:30 PM

II interviewee: Gary Luscombe

III Place: Online Survey

IV Content: Research of Leadership and Innovation in Saudi and Japanese Tourism Small and Medium Enterprises

V Questions

Your Name

Gary Luscombe

The name of the company

Amami Onsen Nanten-en

1- First of all tell us about your company? what are the products or services your company provide?

I work for a traditional ryokan in rural Osaka Prefecture. It provides overnight stays in traditional Japanese style rooms, kaiseki cuisine and natural hot springs. It also provides lunch services served in private rooms.

2- When was it established? How many employees work for the company?

I think the ryokan itself was established in the 1950s or 60s but the main building is a little over 100 years old.

3- what is your position in the company?

Front desk although I also help with cleaning and kaiseki serving

4- How do you find the market these days and is it different than before? How?

The domestic market is actually still quite strong under the right circumstances. Since the ryokan is in a rural yet convenient location and offers dining in private rooms

5- How do you describe the leadership style that you think fits best with your business?

As a traditional, family-owned business the owners are the managers and decision makers.

6- How would you describe the ideal relationship between managers and employees?

Why?

Managers should be more open to listening to the ideas and relying on the experience of employees. I find this quite commonplace in Europe but very rare in Japan.

7- Do you believe that leaders and managers can affect innovation? If so, how?

They can because they often have final say on whether a novel and innovative idea can be implemented within the company. This is especially true in Japan where so much emphasis is placed on hierarchy.

8- Do you think making small improvements on popular products is more important than inventing new products? Why?

I think both are of equal value. Improving existing products is important to reduce costs and improve sustainability while inventing new products is important for driving innovation and filling market gaps.

9- How often do use the new technology like robots, cloud computing and internet of things?

Never

10- Do you think these technologies can make your company more innovative? How?

In our case, I think they might actually have a negative impact as would provide only limited benefit while taking away from the tradition and charm values of the experience.

11- Do you think these technologies can replace humans in terms of producing innovative products and services? Why?

Possibly a long way in the future they may be able but in the short and medium term I don't think so. Things like AI may be able to offer things like efficiency improvements, but it still lacks the creative spark it would need to come up with innovative ideas.

12- Do you think that healthy relationships between managers and employees can be helpful for innovation? Do you think there is a relationship?

They absolutely can because you need a mutual trust to be able to share ideas, improve them based on each other's experience and drive them forward. An employee with a good idea can't do much on their own without a manager to support them in getting it implemented.

13- How would you describe the ideal organizational environment? And how it can support creativity and innovation?

An open environment where employees are encouraged to think about how they can make improvements and make suggestions or criticisms without fear of reprisal is important. This is sadly lacking in many organizations across Japan as employees are very much subordinate and required to focus only on the task at hand.

14- Any final thoughts about any of the above questions?

It was a difficult set of questions to answer from the perspective of a ryokan, adhering to tradition is one of the important aspects of keeping the experience at atmosphere. Innovation in a ryokan tends to be things like offering vegan and vegetarian food or taking a tattoo friendly stance for the onsen rather than anything technological.

I Time: 2022/03/31 8:48 AM

II Interviewee: James Hills

III Place: Online Survey

IV Content: Research of Leadership and Innovation in Saudi and Japanese Tourism Small and Medium Enterprises

V Questions

The name of the company

Osaka Convention and Tourism Bureau

1- First of all tell us about your company? what are the products or services your company provide?

We are the official tourism bureau for Osaka Prefecture. As a DMO (Destination Marketing Organisation), we are charged with the responsibility of promoting Osaka as a destination (particularly as a tourism destination and destination for meetings and events) both domestically and globally. Therefore, we work with the prefectural and municipal governments of Osaka. There are 43 official villages, wards, and cities in Osaka. We are in charge of promoting all of them so that they can all benefit from tourism and other behaviours that lead to increased spending. We also work a lot to try to make Osaka a first-rate international student destination. In terms of products, we also sell a city pass called the Rakuyu Pass in Japanese. This product is the successor to the Osaka Amazing Pass (Osaka Shuyu Pass). This city pass allows for unlimited travel on Osaka's underground and bus systems as well as entry to approximately 40 different tourism facilities throughout Osaka at no additional cost.

2- When was it established? How many employees work for the company?

Originally it was founded in 2003 but under a different name and with a slightly different structure. In regards to the Osaka Convention and Tourism Bureau we have today, we usually say it was officially created in 2013. Approximately 60 employees.

3- what is your position in the company?

Marketing Data Analyst

4- How do you find the market these days and is it different than before? How?

I joined in 2019, just before the coronavirus outbreak. During that time there was the rugby world cup and Osaka had just broken its record for the most amount of inbound tourists ever. From March 2020 it changed, and people stopped being able to come to Osaka from abroad. Because of this, many attempts to promote to inbound tourists at times seem futile. In order to overcome these problems and continue to drive visitation to Osaka we have been focusing on the domestic market whilst at the same time still trying to provide and disseminate information towards the foreign market so that they still remember Osaka and hopefully choose Osaka as their next tourism destination as soon as borders open again.

5- How do you describe the leadership style that you think fits best with your business?

We have a lot of media focus on us as an organization. It is important to be someone that is lively and active and can promote Osaka in a positive and energetic way as a fun destination. A leader needs to be able to embrace the above and be an example for the rest of the employees.

6- How would you describe the ideal relationship between managers and employees?

Why?

Managers need to be able to effectively manage the workload of the employees. It is also very important that managers/leaders are seen as people that employees can come to with their problems. There needs to be a great deal of respect between the employees and managers. Employees are not just pawns to be made to do all the actual work. A manager that understands the problems and struggles of employees is much more likely to create a loyal workforce that wants to work hard to please their manager.

7- Do you believe that leaders and managers can affect innovation? If so, how?

If a manager or leaders acts with initiative, then yes. Many managers do not actively strive to push forward and do the bare minimum. It is important that managers listen to the voices of their subordinates and give chances to ideas from subordinates whilst managing the risks. If they can create an environment whereby everyone feels comfortable to share their ideas and/or make mistakes, then ideas that lead to innovation are more likely to appear.

8- Do you think making small improvements on popular products is more important than inventing new products? Why?

I cannot say what is more important. Both are important and it depends on the line of work of the business. If you continue to invent more products, then you have more products to manage. There could be problems of not having enough staff to efficiently manage all of the products and some products might be dropped (which is not necessarily a bad thing). But having too many products could lead to a confusing brand image. Sometimes having a simple menu is better and it is not always necessary to try and fix what is not broken. In our work, sometimes you may have a series of products that are not so successful independently but work better as part of a package.

9- How often do use the new technology like robots, cloud computing and internet of things?

We do not really use such technology. However, we are trying to promote the image of Osaka as a smart city and are currently developing a tourism app in order to enhance the experiences of

visitors to Osaka.

10- Do you think these technologies can make your company more innovative? How?

I think that the staff and their brains are more important. If you just introduce the technology, I think that it will initially make things very slow. You need to have the right kind of staff to be able to deal with it. This is also influenced by things such as age of staff and background. As an organization, communication is the most important thing. We have lots of meetings and send lots of emails in order to incite growth in tourism. Aspects related to technology are handled by other companies that we commission.

11- Do you think these technologies can replace humans in terms of producing innovative products and services? Why?

It is possible. If we had data available that a computer could automatically digest and produce strategically viable proposals, then that would help to spur on innovation. However, in tourism, the emotions and the feelings of the visitors is the most crucial thing. I believe that it is much easier for other humans to understand what types of experiences are going to be seen as fun and enjoyable rather than machines. In short, technology can produce innovative products and services. However, in our industry a human touch is necessary.

12- Do you think that healthy relationships between managers and employees can be helpful for innovation? Do you think there is a relationship?

I touched upon this in a previous question. If managers can produce an environment whereby employees feel comfortable producing ideas and sharing ideas that may not even be that popular, then more interesting ideas that lead to innovation may come about.

13- How would you describe the ideal organizational environment? And how it can support creativity and innovation?

An environment whereby there is mutual respect between managers and employees and employees feel protected and safe. Safe in terms of being unafraid of making mistakes and sharing ideas no matter how strange they may be. Even if someone comes up with an unusual idea that most people think is bad - at least then you can move on as a team in the knowledge that "yeah, that is not the direction we are going in".

14- Any final thoughts about any of the above questions?

No

I Time: 2022/03/15 20:30 PM

II Interviewee: 小泉園栄

III Place: Online Survey

IV Content: サウジアラビアと日本の観光の中小企業におけるリーダーシップとイノベーションの研究

V Questions

会社の名前

京都ゲストイン長岡京

1-会社の提供するサービスや商品について教えてください。

宿泊、レストラン

2-いつ設立されましたか。会社で働く従業員は何人ですか。

2016年 3人

3-会社での役職は何ですか。

オーナー

4-最近、市場は以前とは違いますか。どのように。

観光者が来なくなりビジネス客が増えた

5-観光業界には最も適しているリーダーシップスタイルについて教えてください。

その時代に合わせたスタイルで仕事に挑むこと

6-リーダーと従業員の理想的な関係について教えてください。

コミュニケーションを取ることに

7-リーダーや部長がイノベーションに影響を与える可能性がありますか？どのように。

常に従業員の意見に耳を傾けること

8-あなたにとって、どちらの方が大切ですか。現在の人気商品やサービスを改善することですか。新たな商品やサービスを生み出すことですか。

新たな商品やサービスを生み出すこと

9-ロボット、クラウドコンピューティング、モノのインターネットなどの新しいテクノロジーをよく使用しますか？

それほどでもない

それほどでもない

10-そのテクノロジーは会社のイノベーション能力にどのように影響しますか。

効率化を促進する

11-イノベーションにはそのテクノロジーは人間より効率的に作用しますか。

はい

12-イノベーションにはマネージャーや従業員の質の高い人間関係が必要ですか。

はい

13-理想的な職場環境はどんな環境ですか。

常に意見を交わし職場環境の向上に努める

14-上記の質問のいずれかについての最終的な考えはありますか。

実践している。

2- Saudi Companies

I Time: 2022/03/09 7:08 AM

II Interviewee: Jalal Salafi

III Place: Online Survey

IV Content: الصغيرة و المتوسطة الشركات في الابتكار و القيادة حول واليابان السعودية بين مقارنة بحث
السياحي القطاع في العاملة

V Questions:

الاسم

السلفي محمد جلال

الشركة اسم

المكرمة مكة (التندورجي) المتخصص المذاق شركة

١- تقدمونها التي المنتجات و الخدمات عن و فيكم الخاصة الشركة عن حدثنا -
والخارجية الداخلية والمناسبات التوصيل تطبيقات طريق عن وايضا وخارجه المطعم داخل الاكل خدمات نقدم
المفتوح البوفيه بنظام

٢- فيها؟ الموظفين عدد وكم ؟ الشركة إنشاء تم متى-

الشركة؟ في عملك طبيعة ماهي-٣
الشركة مالك

كيف؟ السابق؟ عن مختلف انه تعتقدون هل و ، الايام هذه السوق تجدون كيف -٤
الاحداث مع الاسعار وارتفاع الشعوب وثقافة الحكومية التنظيمات حيث من السابق عن تماما اختلف السوق
مستمرة اثارها لاتزال والتي كورونا وجائحة وخلافه حروب من الخارجية

بكم؟ الخاصة الشركة نشاط نوع يناسب الذي المثالي القيادي الاسلوب تصف كيف -٥
الادارة عن تختلف القيادة

للاغاية مهم امر الحكومية لقرارات الامتثال الراهن الوضع في
الرقمي والتطور التقدم ظل في
مستقبلا الثمار لقطف بالصبر التحلي
الواحد الفريق بروح العمل
٢٠٣٠ رؤية مواكبة

الموظفين بين والقيم بالاخلاق والتحلي المنافسة خلق
وسلوكلها الشركة يمثل وموظف شخص كل وان للشركة والانتماء الولاء زرع

بكم؟ الخاص الشركة نشاط مجال في الموظفين و المدير بين المثالية العلاقة تصف كيف ، نظرك وجهة من-٦
؟ لماذا

وعادة الحكومي العمل عن يختلف الخاص العمل
الخاص العمل في اكثر الضغط يكون
 $2 = 1+1$ يعني الخاص العمل ان تمام اعي
اخلاقنا هي والانسانية بشر هولاء ان تبقى ولكن
النص عن بها الخروج ممكن امور وهناك

؟ كيف ؟ الشركة في الابتكار على تأثير إحداث على القدرة لديهم المدراء و القادة ان تعتقد هل-٧
نعم

الانضباطية
قياسها يمكن حتى وتجربتها عليها والعمل الافكار خلق
والسلامة الجودة معايير تطبيق
تنفيذها يمكن لا التي الوعود عدم
(محاضرات عمل ورش دورات) الموظفين تطوير

من أهم ، العملاء لدى المفضلة الخدمات او المنتجات على تعديلات و تحسينات إجراء ان تعتقد هل-٨

؟ لماذا ؟ كليا جديدة اخدمات منتجات ابتكار و إستحداث
الطريقتين على العمل يمكن
مهم ايضا الابتكار مهم العميل

انترنت و السحابية الخدمات و الروبوتات مثل الحديثة التكنولوجيا باستخدام تقومون هل ، شركتكم في-٩
الاشياء ؟
صحيح نعم

؟ شركتكم في الابتكار على تأثير التكنولوجيا لهذه ان تعتقد هل-١٠
نعم

؟ الابداعية الافكار توليد جانب في الانسان محل تحل ان على قدرة الحديثة التكنولوجيا ان تعتقد هل -١١
لماذا ؟
ذلك ممكن
تغيره ويمكن الانسان وضعه النظام ولكن
الداخلي وايضا الخارجي المحيط حسب

و الابداع على تأثير لها الشركة في الموظفين و المدراء بين الايجابية و الصحية العلاقات ان تعتقد هل -١٢
؟ علاقة هناك ان تعتقد هل ؟ الابتكار
١٠٠٪ نعم

الابتكار و الابداع دعم في البيئة تساهم أن الممكن من كيف و العمل؟ للبيئة المثالية البيئة تصف كيف -١٣
؟

إثنان عليه يختلف لا امر الان نعيشها التي الاقتصادية الاوضاع ظل في الوظيفي والاستقرار الامان
ومعنويًا ماليًا الاشكال بكل والابتكار الابداع دعم
والابتكار الابداع فن في تساعد المناسبة والاجواء المكان تهيئة
وخلافه إفتتات استضافات معارض جديد كل مع التواصل
؟ الاستبيان هذا نهاية في به الادلاء تود شيء اي هناك هل -١٤
المملكة مناطق انحاء وعلى المجالات كل في نوعية نقلة يشهد السعودية العربية المملكة في السياحي القطاع
الحبيبية

وخلافه 5G مثل والإلكتروني الرقمي التحول في الثاني المركز تحتل المملكة وان خاصة
العالم نظر محل قريبا المملكة وستكون بسيطة نقاط سوى بينهما وليس الاول المركز صاحبة اليابان مطاردة
النماذج هذه احد ياسر اخي وانت تمثيل خير المملكة العظيم السعودي الشعب وسيمثل عهدها سابق من اكثر
المحترم

I Time: 2022/03/09 7:54 AM

II Interviewee: Aid Mohhamed Badar

III Place: Online Survey

IV Content: الصغيرة و المتوسطة الشركات في الابتكار و القيادة حول واليابان السعودية بين مقارن بحث السياحي القطاع في العاملة

V Questions:

الاسم

بدر محمد عيد

الشركة اسم

المعتمدين لخدمات بدر عيد شركة

١- ؟ تقدمونها التي المنتجات و الخدمات عن و فيكم الخاصة الشركة عن حدثنا - اعاشة و مازات و نقل و سكن من اللازمة الخدمات حجز و العمره تأشيريات إصدار

٢- فيها؟ الموظفين عدد وكم ؟ الشركة إنشاء تم متى-

موظف ٢٥ الموظفين عدد ١٤٣٨

٣- الشركة؟ في عملك طبيعة ماهي-

الإدارة مجلس رئيس

٤- كيف؟ السابق؟ عن مختلف انه تعتقدون هل و ، الايام هذه السوق تجدون كيف - و كامل بشكل مؤتمنة التأشيرة إصدار عملية أصبحت حيث اجراءات و نظاما كورونا تداعيات بسبب مختلف نعم دقيق

٥- بكم؟ الخاصة الشركة نشاط نوع يناسب الذي المثالي القيادي الاسلوب تصف كيف - خصم نسبة أعلى على للحصول المباعه الخدمات في التكتلات خلق مع المصروفات في الهدر إعدام او تقليل الدخل مصادر تنويع و

٦- بكم؟ الخاص الشركة نشاط مجال في الموظفين و المدير بين المثالية العلاقة تصف كيف ، نظرك وجهة من- ؟ لماذا

و بالالتزام يتمتع كما الفندقية و النقل و السياحة و العمره مجال في المتنوعة و الكبيره خبرته المدير يميز اللزوم عند الحزم و المرحه الروح

٧- كيف ؟ الشركة في الابتكار على تأثير إحداث على القدرة لديهم المدراء و القادة ان تعتقد هل-
محدوده خبرته فرد المدير منصب لايشغل غالبا و الابتكار يخلق الخبره تنوع نعم،

٨- من أهم ، العملاء لدى المفضلة الخدمات او المنتجات على تعديلات و تحسينات إجراء ان تعتقد هل-
لماذا ؟ كليا جديدة اوخدمات منتجات ابتكار و إستحداث
جديد منتج الابتكار ينتج ان حال في اما للعميل المقدمة المنتجات تعديل و تحسين في الابتكار يصب ما غالبا
اهمية أعلى المنتج هذا يكون ان اتوقع

٩- انترنت و السحابية الخدمات و الروبوتات مثل الحديثة التكنولوجيا باستخدام تقومون هل ، شركتكم في-
الاشياء
السياحية الجولات في الافتراضي الواقع لاستخدام دراسة اعداد حاليا يجري و السحابية الخدمات

١٠- شركتكم في الابتكار على تأثير التكنولوجيا لهذه ان تعتقد هل-
نعم

١١- الابداعية الافكار توليد جانب في الانسان محل تحل ان على قدرة الحديثة التكنولوجيا ان تعتقد هل -
لماذا ؟

الابتكار على قدرة بشري إشراف دون بذاتها التكنولوجيا أن اعتقد لا صحيح للسؤال فهمي كان اذا

١٢- و الابداع على تأثير لها الشركة في الموظفين و المدراء بين الايجابية و الصحية العلاقات ان تعتقد هل -
علاقة هناك ان تعتقد هل ؟ الابتكار
نعم

١٣- الابتكار و الابداع دعم في البيئة تساهم أن الممكن من كيف و العمل؟ للبيئة المثالية البيئة تصف كيف -
؟

للابتكار خصبة البيئة هذه ان و مثالية العمل بيئة ان اعلم لعمله محب و فخور الموظف رأيت اذا

١٤- الاستبيان هذا نهاية في به الادلاء تود شيء اي هناك هل -
لا

II Interviewee: Adel Albaloshi

III Place: Online Survey

IV Content: الصغيرة و المتوسطة الشركات في الابتكار و القيادة حول واليابان السعودية بين مقارنة بحث
السياحي القطاع في العاملة

V Questions:

الاسم

البلوشي محمد عادل

الشركة اسم

عبدالعزيز الملك جامعة

١- ؟ تقدمونها التي المنتجات و الخدمات عن و فيكم الخاصة الشركة عن حدثنا -
طعام وتحضير فعاليات ادارة شركة

فيها؟ الموظفين عدد وكم ؟ الشركة إنشاء تم متى-٢
٨ موظفيها عدد ٢٠١٩ عام انشاءت

الشركة؟ في عملك طبيعة ماهي-٣
للطرفين الخارجية الجهات مع صفقات عمل و الفعاليات تنظيم الميدان ارض على و عملي اداري بين ما عملي

كيف؟ السابق؟ عن مختلف انه تعتقدون هل و ، الايام هذه السوق تجدون كيف -٤
الحمد والله بكثير افضل والايام العمل لسوق رجعتنا الان كورونا بجائحة جدا تاتر السوق

بكم؟ الخاصة الشركة نشاط نوع يناسب الذي المثالي القيادي الاسلوب تصف كيف -٥
ما كل وتنفيذ المواعيد واحترام والالتزام بجدية والعمل الموظف او العميل موضع بنفسك وضع اسلوب
الموظف او للعميل توعده

بكم؟ الخاص الشركة نشاط مجال في الموظفين و المدير بين المثالية العلاقة تصف كيف ، نظرك وجهة من-٦
؟ لماذا

بعدها المهمة العلاقة هذه المهام وتنفيذ العمل واتقان الشفافية الامانة الصدق الجد والعمل والوقت بالعمل الالتزام
للمنظمة واحده وعائلة واحد عمل وفريق واخوة زملاء نحن

كيف ؟ الشركة في الابتكار على تأثير إحداث على القدرة لديهم المدراء و القادة ان تعتقد هل-٧

الموظف او للعميل توعدده ما كل وتنفيذ

الشركة نشاط مجال في الموظفين و المدير بين المثالية العلاقة تصف كيف ، نظرك وجهة من-٦
؟ لماذا بكم؟ الخاص

هذه المهام وتنفيذ العمل واتقان الشفافية الامانة الصدق الجد والعمل والوقت بالعمل الالتزام
للمنظومة واحده وعائلة واحد عمل وفريق واخوة زملاء نحن بعدها المهمة العلاقة

٧- كيف ؟ الشركة في الابتكار على تأثير إحداث على القدرة لديهم المدراء و القادة ان تعتقد هل-
لان اكثر ويعمل وابتكر وينجز الموظف يتأثر راح والتشجيع والدعم بالتحفيز اكد نعم
هناك اذا ربح الكل والشركة وللقطاع للموظف للتطوير وقابله محفزة البيئة و النفسي العامل
وتطوير ابتكار

من أهم ، العملاء لدى المفضلة الخدمات او المنتجات على تعديلات و تحسينات إجراء ان تعتقد هل-٨
؟ لماذا؟ كليا جديدة اوخدمات منتجات ابتكار وإستحداث

شركة كصاحب وانا للسوق مواكبين لانها والتطوير الابتكار عملية في جدا مهمين الاثنين اعتقد
والابتكار والتطوير الامتياز للعنصرين افضل

السحابية الخدمات و الروبوتات مثل الحديثة التكنولوجيا باستخدام تقومون هل ، شركتكم في-٩
؟ الاشياء انترنت و

ايضا ونغير ونطور ندمج شي اهم اكد

؟ شركتكم في الابتكار على تأثير التكنولوجيا لهذه ان تعتقد هل-١٠

الفعاليات ادارة قطاع بقطاعنا وبالتحديد تأثير لها التكنولوجيا شي بكل اكد نعم

١١- الافكار توليد جانب في الانسان محل تحل ان على قادرة الحديثة التكنولوجيا ان تعتقد هل-
؟ لماذا؟ الابداعية

التدخل هو عمر اهم والسياحة والضيافة الفعاليات قطاع الانسان محل تحل انها فكرة ضد انا لا
وروبرت تكنولوجيا هناك لو حتى جدا مهمة البشرية للمسرة البشري

١٢- تأثير لها الشركة في الموظفين و المدراء بين الايجابية و الصحية العلاقات ان تعتقد هل-
؟ علاقة هناك ان تعتقد هل ؟ الابتكار و الابداع على

الاسبق بالسؤال هذا وذكرت نعم

١٣- دعم في البيئة تساهم أن الممكن من كيف و العمل؟ للبيئة المثالية البيئة تصف كيف
؟ الابتكار و الابداع

الاسبق بالسؤال هذا وذكرت اكد

؟ الاستبيان هذا نهاية في به الادلاء تود شيء اي هناك هل - ١٤
البحث على اطلاع ان اول بحثكم نتائج شاركننا وتكرما الله شاء ان موفق جميل استبيان شكرا
بالتوفيق

APPENDIX 3: PUBLISHED PAPERS

I Journal: Osaka Sangyo University Management Review Journal

II Title of The Paper: The Effectiveness of Functioning as a Robust Systems and Using Relational Leadership to Enhance Disruptive Innovation in Small and Medium Enterprises (SMEs)

III Time: 2021/11/30

APPENDIX4: CONFRNCE PRESENTATIONS

I Conference: The 57th Annual Conference of the Japan Society of Economic Sociology

II Title of The Paper: A Study on Relational Leadership and Destructive Innovation in the Age of Industry 4.0: With Special Reference to Saudi Tourism Small and Medium Enterprises

III Time: 2021/09/04

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