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## Leadership and Innovation: Insights into Agile and Transformational Leadership in MENA SMEs

**Dr. Zeineb ESSID**

*Higher Institute of Management of Sousse, University of Sousse, Tunisia.*

*LAMIDED Laboratory*

*Email: zeineb.essid.tn@gmail.com*

### ABSTRACT

**Purpose** –This study examines the impact of Agile Leadership and Transformational Leadership on innovation in small and medium-sized enterprises (SMEs) in the Middle East and North Africa (MENA) region. The research seeks to shed light on the processes by which leadership behaviors drive innovation, particularly in environments with limited resources.

**Design/methodology/approach** – A quantitative study analyzed survey data gathered from 206 SMEs across Tunisia, Egypt, and Saudi Arabia. The research employed the Partial Least Squares Structural Equation Modeling (PLS-SEM) method to evaluate the proposed conceptual framework.

**Findings** – The results indicate that Agile and Transformational Leadership significantly and directly influences innovation in SMEs. These findings highlight the crucial role of leadership behaviors in stimulating innovation without intermediary mechanisms.

**Research limitations/implications** – The study is limited to SMEs in Mena region, which restricts the generalizability of the results to other contexts. Larger or transnational samples would strengthen the external validity of the findings. Future research could incorporate additional mediating or moderating variables such as organizational culture, organizational trust, entrepreneurial orientation, or organizational learning to refine our understanding of the mechanisms by which leadership influences innovation.

**Keywords:** Agile Leadership, Transformational Leadership, Innovation, SMEs, MENA Region