

## **LEADERSHIP FOR LESS: HOW ORGANIZATIONAL DEMOCRACY TRANSLATES VALUES INTO FRUGAL INNOVATION**

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## **Introdução**

Frugal innovation offers accessible, simple, and sustainable solutions, focusing on cost reduction, core functionality, and social inclusion. Rather than being merely a response to scarcity, it can represent a strategic choice aligned with ethical and sustainable values. This study investigates how servant leadership and organizational democracy contribute to the creation of environments conducive to frugal innovation, particularly in emerging economies facing inequality, scarcity, and the need for sustainable transitions.

## **Problema de Pesquisa e Objetivo**

How do servant leadership and organizational democracy influence frugal innovation? This article aims to analyze this influence, focusing on the industrial sector of an emerging economy.

## **Fundamentação Teórica**

Grounded in degrowth theory, the study frames frugal innovation as a strategic choice rather than a simple reaction to scarcity. It argues that servant leadership - by promoting values such as empathy, active listening, and commitment to people's development- contributes to the strengthening of democratic organizational structures. These structures, in turn, create favorable conditions for the implementation of frugal innovation practices within firms.

## **Metodologia**

A quantitative, cross-sectional design was adopted, with a sample of 450 companies from the Brazilian industrial sector. Data were collected through a survey and analyzed using structural equation modeling (PLS-SEM). A second-order construct for organizational democracy (OD) was validated, and three hypotheses were tested, including a mediation model.

## **Análise dos Resultados**

All hypotheses were supported. Servant leadership had a direct effect on frugal innovation, but its strongest impact occurred indirectly through organizational democracy. The latter had the most significant direct influence on frugal innovation. The OD-23 scale demonstrated strong reliability, validity, and structural consistency.

## **Conclusão**

The findings reveal a relational mechanism through which servant leadership strengthens democratic structures that, in turn, enable frugal innovation. This path highlights how ethical and inclusive leadership, combined with participatory practices, creates organizational conditions for sustainable, low-cost, and high-impact innovation.

## **Contribuição / Impacto**

The study contributes theoretically by integrating degrowth theory into the organizational innovation literature and validating a scale for organizational democracy. Practically, it offers insights for managers seeking to foster innovation under constraints through inclusive leadership and governance models that encourage engagement and experimentation.

## **Referências Bibliográficas**

Ahmed & Ahmed (2022); Hickel & Kallis (2020); Hickel (2021); Hossain (2021); Khattak et al. (2023); Kodalak et al. (2024); Liden et al. (2015); Rossetto et al. (2023); Truong & Le (2025).