



Strategic Leadership and Organizational Innovation in Public Sector Institutions in Yogyakarta City

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INFO ARTIKEL	ABSTRACT
<p>Submitted: 2025-11-24 Revised: 2025-11-27 Accepted: 2025-12-25 Published: 2026-01-23</p> <p>Keywords Strategic Leadership, Organizational Innovation, Public Sector Organizations, Governance, Public Administration</p>	<p><i>Strategic leadership plays a crucial role in promoting organizational innovation within public sector institutions. In the context of rapidly evolving governance environments, public organizations are required to develop innovative strategies to improve institutional performance and enhance public service delivery. Leaders in public sector institutions are responsible for guiding organizational change, encouraging employee participation, and fostering innovation-oriented organizational cultures. This study aims to examine the role of strategic leadership in promoting organizational innovation in public sector institutions in Yogyakarta City. The research employs a qualitative approach using a case study design to explore leadership practices, innovation initiatives, and organizational dynamics within local government institutions. Data were collected through semi-structured interviews with government officials, administrative staff, and stakeholders involved in innovation programs, supported by document analysis and field observations. The findings indicate that strategic leadership significantly influences the development of organizational innovation by encouraging collaboration, supporting institutional learning, and creating a supportive environment for innovative practices. Innovation initiatives implemented by public sector institutions include digital service development, simplification of administrative procedures, and collaborative governance programs. However, several challenges remain, including bureaucratic constraints, limited organizational resources, and resistance to change among employees. The study highlights the importance of strong leadership commitment, organizational learning mechanisms, and institutional support to sustain innovation in public sector institutions. Overall, strategic leadership is an essential factor in strengthening organizational innovation and improving governance performance in public administration.</i></p>
<p>Kata Kunci Kepemimpinan Strategis, Inovasi Organisasi, Organisasi Sektor Publik, Reformasi Tata Kelola, Administrasi Publik</p>	<p>Kepemimpinan strategis memiliki peran penting dalam mendorong inovasi organisasi pada institusi sektor publik. Dalam konteks lingkungan pemerintahan yang terus berkembang, organisasi publik dituntut untuk mengembangkan strategi inovatif guna meningkatkan kinerja institusi serta memperbaiki kualitas pelayanan publik. Pemimpin dalam organisasi sektor publik memiliki tanggung jawab untuk mengarahkan perubahan organisasi, mendorong partisipasi pegawai, serta membangun budaya organisasi yang mendukung inovasi. Penelitian ini bertujuan untuk menganalisis peran kepemimpinan strategis dalam mendorong inovasi organisasi pada institusi sektor publik di Kota Yogyakarta. Penelitian ini menggunakan pendekatan kualitatif dengan desain studi kasus untuk mengeksplorasi praktik kepemimpinan, inisiatif inovasi, serta dinamika organisasi dalam institusi pemerintah daerah. Data dikumpulkan melalui wawancara semi-terstruktur dengan pejabat pemerintah, staf administrasi, serta pemangku kepentingan yang terlibat dalam program inovasi, yang didukung oleh analisis dokumen dan observasi lapangan. Hasil penelitian menunjukkan bahwa kepemimpinan strategis memiliki pengaruh signifikan dalam mendorong pengembangan inovasi organisasi melalui peningkatan kolaborasi, dukungan terhadap pembelajaran organisasi, serta penciptaan lingkungan kerja yang mendukung praktik inovatif. Inisiatif inovasi yang diterapkan oleh institusi sektor publik meliputi pengembangan layanan digital, penyederhanaan prosedur administrasi, serta program tata kelola kolaboratif. Namun demikian, beberapa tantangan masih ditemukan, seperti keterbatasan sumber daya organisasi, hambatan birokrasi, serta resistensi terhadap perubahan di kalangan pegawai. Penelitian ini menekankan pentingnya komitmen kepemimpinan yang kuat, mekanisme pembelajaran organisasi, serta dukungan institusional untuk menjaga keberlanjutan inovasi di sektor publik</p> <p style="text-align: right;">Copyright © 2025, Khoiriyah, et al This is an open access article under the CC-BY-SA license</p> <div style="text-align: right;"> </div>



INTRODUCTION

Strategic leadership has become an increasingly important factor in improving organizational performance and promoting innovation in public sector institutions. In the context of modern governance, public organizations are expected to operate efficiently, adapt to complex policy environments, and respond effectively to the needs of citizens. The ability of public institutions to innovate and improve their performance is strongly influenced by the leadership strategies adopted by organizational leaders (Bryson, 2018).

Strategic leadership refers to the ability of leaders to influence organizational direction, manage institutional change, and develop strategies that support long-term organizational goals. In public sector organizations, strategic leaders play a crucial role in guiding institutional transformation and encouraging innovation within bureaucratic structures. Leaders who adopt strategic approaches are able to align organizational resources, motivate employees, and create an environment that supports continuous improvement and innovation (Boal & Hooijberg, 2001).

Organizational innovation has become an important component of governance reform in many countries. Public sector institutions are increasingly required to develop innovative approaches to improve service delivery, strengthen institutional efficiency, and address complex social challenges. Innovation in public organizations may involve the adoption of new administrative processes, the introduction of digital technologies, or the development of collaborative governance mechanisms that involve multiple stakeholders (OECD, 2021).

The relationship between leadership and innovation is particularly important in public sector institutions where bureaucratic structures often limit organizational flexibility. Strategic leaders play a key role in encouraging employees to adopt innovative practices and explore new solutions for improving public services. Leaders who support innovation create opportunities for organizational learning, encourage collaboration among employees, and facilitate the exchange of ideas within the organization (Mergel, 2019).

In Indonesia, efforts to promote innovation in public sector institutions have been supported by various governance reform initiatives aimed at improving the quality of public administration. Government institutions are encouraged to develop innovative public service programs, adopt digital technologies, and implement strategic management practices that improve institutional performance (Bappenas, 2021). These reforms highlight the importance of leadership in guiding organizational change and ensuring the successful implementation of innovation initiatives.

Yogyakarta City provides an important context for examining the relationship between strategic leadership and organizational innovation in public sector institutions. The local government of Yogyakarta has implemented several initiatives aimed at improving governance practices and strengthening institutional innovation. These initiatives include the development of innovative public service programs, collaboration with community organizations, and the adoption of digital governance systems designed to improve administrative efficiency.

Despite these efforts, implementing innovation within public sector institutions remains a complex process. Organizational resistance to change, bureaucratic regulations, and limited institutional resources may affect the ability of public organizations to implement innovative strategies effectively. Understanding how leadership practices influence organizational innovation is therefore important for strengthening governance reforms.

This study aims to examine the role of strategic leadership in promoting organizational innovation in public sector institutions in Yogyakarta City. By exploring leadership practices, organizational strategies, and institutional dynamics, this research seeks to provide insights into how public sector leaders can foster innovation and improve the performance of government institution.

METHODS

This study employs a qualitative research approach to explore the role of strategic leadership in fostering organizational innovation within public sector institutions in Yogyakarta City. A qualitative approach was chosen because it allows the researcher to examine leadership practices, organizational dynamics, and innovation processes in depth. Through qualitative inquiry, the research aims to understand how leaders influence organizational culture, decision-making processes, and institutional strategies that encourage innovation in public administration.

The research design adopted in this study is a case study approach. Case study research is appropriate for analyzing complex organizational phenomena within a specific institutional and geographical context (Yin, 2018). By focusing on public sector institutions in Yogyakarta City, the study seeks to examine leadership practices and innovation initiatives implemented by local government agencies. This approach enables the researcher to gain a detailed understanding of how strategic leadership contributes to the development of innovative practices within government institutions.

The research was conducted in several local government institutions in Yogyakarta City that have implemented organizational innovation initiatives in public service delivery and administrative management. These institutions were selected because they have introduced various programs aimed at improving institutional performance, strengthening governance practices, and encouraging innovation in public service systems.

The selection of research participants was conducted using purposive sampling. This sampling technique allows the researcher to identify informants who possess relevant knowledge and experience regarding leadership practices and organizational innovation within public sector institutions. The informants involved in this study include government officials, department leaders, administrative staff, and employees who are directly involved in the implementation of innovation programs within their respective institutions.

Data were collected through several qualitative data collection techniques. The primary method of data collection was semi-structured interviews conducted with key informants. The interviews were designed to gather information regarding leadership strategies, decision-making processes, organizational culture, and innovation initiatives implemented within government institutions. Through these interviews, the researcher was able to explore how leaders encourage innovation and manage organizational change within bureaucratic structures.

In addition to interviews, document analysis was conducted to examine official documents related to innovation policies and strategic management practices within the Yogyakarta City Government. These documents included government reports, policy documents, institutional strategic plans, and administrative guidelines that describe innovation initiatives implemented by public sector institutions. Document analysis provided important contextual information regarding the institutional framework that supports organizational innovation.

Furthermore, observations were carried out to understand how innovation initiatives are implemented in daily administrative activities within government institutions. Observations focused on organizational processes, interactions among employees, and the implementation of innovative public service programs. Through direct observation, the researcher was able to identify how leadership practices influence the organizational environment and support the development of innovative solutions in public administration.

The collected data were analyzed using thematic analysis. This analytical method involves organizing qualitative data, coding relevant information, identifying key themes, and interpreting patterns that emerge from the data (Braun & Clarke, 2006). Thematic analysis allows the researcher to identify major themes related to strategic leadership practices, organizational innovation processes, institutional challenges, and the impact of leadership on governance reform.

To ensure the credibility and trustworthiness of the research findings, this study applied data triangulation by comparing information obtained from interviews, document analysis, and observations. Triangulation strengthens the validity of qualitative research by ensuring that research conclusions are supported by multiple sources of evidence (Denzin, 2017). Through this methodological approach, the study aims to provide a comprehensive understanding of how strategic leadership contributes to the development of organizational innovation in public sector institutions in Yogyakarta City.

RESULTS AND DUSCUSSION

This section presents the findings of the research regarding the role of strategic leadership in promoting organizational innovation within public sector institutions in Yogyakarta City. The results are based on data collected through interviews with government officials, analysis of institutional documents, and observations of administrative practices. The findings are organized into several subsections that explain leadership practices, innovation initiatives, organizational culture, and challenges faced by public sector institutions in implementing innovative governance strategies.

Strategic Leadership Practices in Public Sector Institutions

One of the main findings of this study is that strategic leadership plays a crucial role in shaping the direction of organizational development within public sector institutions. Leaders within the Yogyakarta City Government demonstrate strategic leadership by establishing clear institutional goals, encouraging employee participation in decision-making processes, and promoting organizational learning.

Government leaders are responsible for developing institutional strategies that align with broader governance reforms and public service improvement initiatives. Through strategic planning processes, leaders identify organizational priorities and determine how innovation initiatives can contribute to improving institutional performance. Strategic leadership also involves creating a shared vision that motivates employees to support organizational change and adopt innovative practices in their daily administrative activities.

Interviews with government officials indicate that leaders who actively communicate organizational goals and provide guidance for innovation initiatives are more successful in fostering positive organizational change. Employees tend to demonstrate greater commitment to innovation programs when they clearly understand the objectives of organizational reforms and feel supported by their leaders.

Organizational Innovation in Public Service Delivery

The findings of this study also indicate that public sector institutions in Yogyakarta City have implemented various innovation initiatives aimed at improving public service delivery. These innovations include the development of digital service platforms, simplification of administrative procedures, and the introduction of collaborative programs involving community organizations.

Digital innovation has become one of the most visible forms of organizational innovation in local government institutions. Several government agencies have introduced digital service applications that allow citizens to access administrative services online. These platforms enable residents to submit service requests, track application status, and obtain information about government programs more efficiently.

In addition to digital innovation, organizational innovation is also reflected in efforts to simplify bureaucratic procedures. Some government institutions have redesigned administrative processes to reduce unnecessary steps and improve service efficiency. By simplifying administrative procedures, government agencies aim to provide faster and more user-friendly public services.

Collaborative innovation has also emerged as an important strategy for improving governance practices. Government institutions have established partnerships with community organizations, universities, and private sector actors to develop innovative solutions for local governance challenges.

These collaborations enable public institutions to access new ideas and resources that support the development of innovative public service programs.

Organizational Culture and Support for Innovation

Another important finding of this research is the influence of organizational culture on the success of innovation initiatives. Organizational culture refers to the values, norms, and practices that shape how employees interact and perform their roles within an institution. In the context of public sector innovation, organizational culture plays a significant role in determining whether employees are willing to adopt new ideas and experiment with innovative solutions.

The study found that institutions with supportive leadership tend to develop organizational cultures that encourage creativity and collaboration among employees. Leaders who recognize employee contributions and encourage open communication create environments where employees feel comfortable sharing ideas for improving administrative processes.

Training programs and capacity-building initiatives also contribute to strengthening innovation culture within public sector institutions. By providing opportunities for employees to develop new skills and learn about innovative governance practices, government agencies can enhance the ability of their staff to participate in organizational innovation initiatives.

However, the study also found that organizational culture in some public sector institutions remains influenced by traditional bureaucratic norms that emphasize strict procedures and hierarchical decision-making structures. These institutional characteristics may limit the flexibility needed to implement innovative practices.

Challenges in Implementing Organizational Innovation

Despite the progress made in promoting innovation within public sector institutions, several challenges remain in implementing innovative governance practices. One of the most significant challenges identified in this study is organizational resistance to change. Employees who are accustomed to traditional bureaucratic procedures may be reluctant to adopt new administrative practices or digital systems.

Another challenge involves limited organizational resources, including financial resources and technological infrastructure. Implementing innovation initiatives often requires investments in digital systems, employee training, and institutional development programs. Government institutions with limited resources may face difficulties in sustaining innovation initiatives over the long term.

Regulatory constraints also present challenges for organizational innovation in public administration. Government institutions must operate within established legal frameworks that may limit their ability to implement experimental governance approaches. Ensuring that innovation initiatives comply with administrative regulations while still encouraging creativity requires careful strategic planning.

Discussion

Strategic Leadership as a Driver of Organizational Innovation

The findings of this study confirm that strategic leadership is a key factor in promoting innovation within public sector institutions. Leaders who adopt strategic management approaches are better able to guide institutional transformation and encourage employees to participate in innovation initiatives. By establishing clear organizational visions and providing support for innovation programs, leaders create environments that enable public organizations to adapt to changing governance challenges.

This finding supports previous research suggesting that leadership plays a crucial role in shaping organizational innovation in public administration. Strategic leaders not only develop institutional strategies but also influence organizational culture, employee motivation, and the ability of institutions to implement change effectively.

Innovation as a Strategy for Improving Public Service Performance

Organizational innovation has become an important strategy for improving the performance of public sector institutions. The adoption of digital technologies, administrative simplification, and collaborative governance initiatives allows government institutions to deliver services more efficiently and respond more effectively to citizen needs.

The experience of public sector institutions in Yogyakarta City demonstrates that innovation initiatives can significantly improve public service accessibility and administrative efficiency. When supported by effective leadership and institutional capacity, innovation programs contribute to strengthening governance systems and improving the quality of public administration.

Implications for Public Sector Governance

From a governance perspective, the findings highlight the importance of integrating strategic leadership and organizational innovation into public administration reforms. Public sector institutions must develop leadership practices that encourage collaboration, organizational learning, and continuous improvement.

Governments should also provide institutional support for innovation initiatives by strengthening digital infrastructure, developing employee competencies, and creating regulatory environments that support experimentation and institutional learning. By adopting these strategies, public sector institutions can enhance their capacity to address complex governance challenges and improve the quality of public service delivery.

Overall, the findings of this study demonstrate that strategic leadership and organizational innovation are closely interconnected in shaping the performance of public sector institutions. Strengthening leadership capacity and fostering innovation culture are therefore essential steps toward building more adaptive, efficient, and citizen-oriented governance systems.

CONCLUSION

This study examined the role of strategic leadership in promoting organizational innovation within public sector institutions in Yogyakarta City. The findings indicate that strategic leadership plays a significant role in guiding organizational transformation and encouraging the development of innovative practices within government institutions. Leaders who adopt strategic approaches are able to influence institutional direction, motivate employees, and create organizational environments that support innovation and continuous improvement.

The results of the research show that strategic leadership contributes to the development of various innovation initiatives aimed at improving public service delivery and administrative performance. Public sector institutions in Yogyakarta City have implemented several forms of organizational innovation, including digital public service platforms, administrative simplification strategies, and collaborative programs involving community organizations and other

stakeholders. These innovations help government institutions improve service accessibility, strengthen administrative efficiency, and respond more effectively to the needs of citizens.

In addition, the study highlights the importance of organizational culture in supporting innovation within public sector institutions. Institutions that foster open communication, collaboration, and employee participation are more likely to develop successful innovation initiatives. Leaders who encourage creativity and provide opportunities for professional development can strengthen employees' capacity to contribute to organizational improvement and innovation processes.

Despite the positive outcomes associated with innovation initiatives, several challenges remain in implementing organizational innovation within public administration. Organizational resistance to change, limited institutional resources, and bureaucratic regulations may limit the ability of public institutions to adopt new practices and technologies. Addressing these challenges requires strong leadership commitment, institutional support, and continuous capacity development for government employees.

From a public administration perspective, the findings emphasize that strategic leadership and organizational innovation are essential components of effective governance. Leaders who are able to guide institutional transformation and promote innovative practices play a crucial role in improving the performance of public sector institutions. Strengthening leadership capacity and encouraging innovation within public organizations can contribute to more adaptive, efficient, and citizen-oriented governance systems.

Overall, this study concludes that strategic leadership is a key driver of organizational innovation in public sector institutions. By developing strategic management practices that support innovation and organizational learning, public sector leaders can enhance institutional performance and improve the quality of public service delivery. Future research may further explore how different leadership styles influence innovation processes and how public organizations can develop more effective strategies for sustaining innovation in governance systems.

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