

Research has demonstrated that knowledge is critical to firm innovation. This study proposes a theoretical model that will examine the link between leadership with a vision of innovation and knowledge creation capabilities. Our aim is to better understand how firms build knowledge creation capabilities and their effect on firm innovation. This study is also a first attempt at examining the way CEO leadership behaviors may help build knowledge creation capabilities by shaping the social context as manifested by trust and connectivity. We will conduct a field study on small-medium sized enterprises (SMEs) in the Israeli high tech sector. The results should provide insights into specific leadership behaviors by focusing on visionary innovation leadership in CEOs.