

The Relationship between Leadership and Innovation in Organisational Performance: A Case of Tarkwa Nsuaem Municipal Assembly

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Abstract

The paper seeks to fill the gap in literature on the factors enhancing organisational performance. Literature reviewed focused on the impact of leadership style on innovation management; and the effectiveness of leadership for innovation. This study contributed to making a shift in literature by focusing on the relationship between leadership and innovation and their mutually reinforcing impact on organisational performance. The study population was 261 staff at the Tarkwa Nsuaem Municipal Assembly. Purposive and convenient sampling techniques were employed in contacting 150 staff members at the Assembly. The results showed a positive and significant relationship between leadership and innovation, and these influenced organisational performances. The results were supported by the path coefficient (0.573) and significant p-value of $0.000 < 0.05$. Leadership and innovation were established as interdependent variables in the determination of enhanced organisational performance. The two variables influence organisation through its people, systems, structure, mission statement and strategy. The results further revealed that, building individualised relationship with employees by leaders and considering their needs, aspirations and skills as important drivers of organisational performance. Organisations must be recognised as living organisms ready to adopt to organisational changes linked to the structure, systems, mission statement, and strategy.

Keywords: Leadership, innovation, organisational development, manager, skills.

1 Introduction

Organisational performance over the past decade has experienced a shift to concentrate heavily on the quality of leadership as well as the degree of innovation of the organisation. Leadership and innovation also occur within the three component parts of an organisation which includes: people, structure and systems, and mission and strategy. The role of leaders in efficient and effective delivery of organisational mandates cannot be over emphasised but that also now depends on innovative practices within the organisation, besides leadership quality. All organisations face increasingly complex challenges in recent times due to globalisation and the influence of technology, and new approaches to improve upon products, services, processes and business models. It is the reason innovation has become a key ingredient in organisational performance, besides the quality of leadership (Slimane, 2015).

For decades, how leadership impacts on organisational performance has gained prominence among academics and practitioners working in the area of leadership (Al Khajeh, 2018; Bhargavi and

Yaseen, 2016; Igbaekemen and Odivwri, 2015; Giambatista, 2004; Rowe *et al.*, 2005). This is premised on the notion that a style of leadership of an organisation has a correlation with organisational performance (Rowe *et al.*, 2005). The style of leadership adopted is considered by some researchers to be particularly important in achieving organisational goals, and in evoking performance among subordinates (Sadia and Aman, 2018; Klein *et al.*, 2013; Berson *et al.*, 2001; Zacharatos *et al.*, 2000; Barling *et al.*, 1996). Leadership regardless of the form it takes does influence the innovation of employees.

This paper explores the relationship between leadership and innovation in organisational performance using the Tarkwa Nsuaem Municipal Assembly (TNMA) as a case study. Specifically, the extent to which a relationship between leadership and innovation determines organisational performance, the factors which promotes relationships between leadership and innovation and the extent to which the quality of leadership promotes organisational performance are espoused. Finally, the extent to which innovation

promotes enhanced organisational performance is also discussed within the context of the study area.

1.1 Problem Statement

Literature largely shows a strong influence of leadership and innovation on organisational performance. The interrelationship between leadership styles (transactional and transformative) and innovation have a greater influence on organisational performance than other factors such as entrepreneurship orientation, informational technology and organisation strategy standing alone.

Leadership and innovation appear to be prerequisites for engineering improved organisational performance in the 21st Century. Nevertheless, the focus of literature on leadership and innovation have concentrated more on the impact of leadership styles on innovation management. Little attention has been given to the direct relationship between leadership and innovation for enhanced organisational performance despite its significance as a foundation for organisational development. Leadership is one of the key driving forces for improving a firm's performance. It is assumed that the kind of leadership style employed in an organisation has an impact on its overall performance. But how does innovation come to play in this relation? This study aims at filling the above research gap.

1.2 Objectives of the study

This paper sought to identify the extent to which a relationship between leadership and innovation determines organisational performance; and identify the factors which promote relationships between leadership and innovation. It also determines the extent to which the quality of leadership and innovation promotes enhanced organisational performance.

2 Materials and Methods Used

2.1 Literature Review

There has been significant theoretical and empirical works carried out on organisational performance across the globe. For some decades now, how leadership impacts on organisational performance has gained prominence among academics and practitioners working in the area of leadership (Al Khajeh, 2018; Bhargavi and Yaseen, 2016; Igbaekemen and Odivwri, 2015; Giambatista, 2004; Rowe *et al.*, 2005). This is premised on the notion that a style of leadership of an organisation

has a correlation with organisational performance (Rowe *et al.*, 2005). The style of leadership adopted is considered by some researchers to be particularly important in achieving organisational goals, and in evoking performance among subordinates (Sadia and Aman, 2018; Klein *et al.*, 2013; Berson *et al.*, 2001; Zacharatos *et al.*, 2000; Barling *et al.*, 1996). Leadership regardless of the form it takes does influence the innovation of employees. In leading companies in Ukraine, Sadia and Aman, (2018) observed high performance among working colleagues who were innovative in the work given without affecting the overall targets of the organisation.

Leadership style in an organisation is one of the factors that play a significant role in enhancing or retarding the interest and commitment of individuals in the organisation. Thus, Glantz (2002) emphasizes the need for a manager to find his leadership style. Although leadership has seen much attention in assessing organisational performance, organisations do undergo rapid changes even on a daily basis as a result of diverse factors. Some of these factors are external such as competition, global market trends and technological changes. Some of the changes over time also occur within the organisations themselves. Examples are employee motivation, innovation, organisational culture and human resource strength (Haque *et al.*, 2015; Igbaekemen and Odivwri, 2015; Bass and Riggio, 2006).

Leadership style practiced by an organisation has an impact on the success or otherwise of its operations. Leadership style in an organisation is one of the factors among others of planning, innovation and organisation of work that play significant role in enhancing or retarding the interest and commitment of the individuals in the organisation (Bhargavi and Yaseen, 2016; Obiwuru *et al.*, 2011). Innovation cannot be taken out as it could become an organic part of public affairs, strategy and action in organisational performance. It becomes clear that a radical new approach to innovation in organisational services and even in models of state management is needed to address the major social and economic challenges in a period of massive financial constraints. Innovation should become a natural and integrating discipline in all organisations, including the agencies of state.

2.2 Methodology

The research adopted a mixed method consisting both qualitative and quantitative strategies in the collection, analysis and presentation of data. The results of this approach give the basis for conclusions that are inductive based on the key

findings of the study. The research design adopted was descriptive case study design to understand the relationship between leadership and innovation and how they both impact organisational performance, using the Tarkwa-Nsuaem Municipal Assembly.

2.2.1 Population and Sampling Procedure

The population of this study included all individuals that work with the Tarkwa Nsuaem Municipal Assembly (TNMA). Purposive sampling was adopted for 13 top level managers and convenient sampling was adopted for the remaining staff.

The Krejcie and Morgan (1970) formula shown as Equation (1) was used to establish the desired sample size from a population of 261 workers.

$$n = \frac{\chi^2 NP(1-P)}{d^2(N-1) + \chi^2 P(1-P)} \quad (1)$$

where;

n = the sample size

χ^2 = table value of chi-square for 1 degree of freedom at the desired confidence level (95%)

N = population size

P = population proportion (assumed to be 0.5 (Krejcie and Morgan, 1970))

d = degree of accuracy expressed as proportion (0.05)

$$n = \frac{3.841 * 261 * 0.5(1-0.5)}{0.05^2(261-1) + 3.841 * 0.5(1-0.5)} \quad (2)$$

$$= \frac{250.6253}{1.6103} = 155.644 \approx 156 \quad (3)$$

Therefore, the required sample size for the workers of the Municipal Assembly in the study was 156. Adding the 13 management members to the 156 workers made up total sample size of 169.

The overall sample size considered for the staff members was 169. This choice of sampling method differed for the two categories because specific members in top level management had to be contacted due to their exposure to the subject matter. Others were also chosen per their level of interaction with the subordinates so as to ascertain valid responses fit for the research purpose. The staff however sufficed the convenience sampling because they could all respond to the issues hence the availability of the staff member was all that required for his or her involvement in the study.

2.2.2 Data Collection Instruments and Pre-testing

The instrument employed to gather primary data after identifying respondents as a homogenous population, was a questionnaire designed with questions that provided essential knowledge for the study. The questions were primarily closed-ended and scaled-response type as well as opened-ended questions. The questionnaires were organised according to the objectives of the study to help address the research questions. Questions on the demographics considered the profile of the respondents, i.e., the gender, age, and differences in educational background can affect the data. According to Brooks and Normore (2015), group characteristics resulting from differences in age, gender, education, and social experiences of participants can influence the data collected for the research.

Pre-testing of the research instruments were carried out before the actual data collection. This was done to determine the validity and reliability of the instrument. Reliability concerns the extent to which a measure is accurate and consistent (Field, 2005). A reliability test was conducted to check the dependability of the instrument. This was done to ensure that instrument was reliable, and that they have internal consistency. Internal consistency was to indicate how well the scales measure the underlying constructs. Cronbach's alpha was also used to evaluate the reliability with cut off value of 0.70 recommended by Hair *et al.* (2007).

2.2.3 Technique for Data Analysis

Open-ended questions were analysed qualitatively using a thematic approach. Themes were identified from the responses and results discussed to support the quantitative findings. The data collected using the questionnaire was first edited to correct errors and assigned serial numbers to the completed questionnaire. The data was entered into Census and Survey Processing System (CSPRO 7.2) and exported to Statistical Package for Social Sciences (SPSS) version 23 for screening and cleaning and estimation of results. The data was analysed both descriptively and inferentially with the aid of SPSS.

Descriptively, frequencies with percentages were used to ascertain the results of the demographic information of the respondents and other categorical questions in the main questions addressing the objectives. Descriptive statistics; central tendency (mean score) and dispersion (standard deviation) were used to describe the Likert Scale responses and relative importance

indices (RII) were used to rank the indicators to ascertain how each of them was faring among the other indicators. Inferential statistics was also used to generalise the results from the sample to the broader population. Inferential tools like one-sample t-test, correlation and linear regression model was used for generalisation of the results.

3 Results and Discussion

The results and discussions are presented under broad themes in line with the objectives of the study.

3.1 The Relationship between Leadership and Innovation

In examining the extent to which there is a relationship between leadership and innovation, the relative importance index (RII) of leadership in organisations was first determined. It revealed that respondents agreed to three of the measurement items under leadership of organisations. The mean score for the assertion “a leader is different from a manager in that a leader's concern is about results, whereas a manager's concern is about the effective uses of resources to achieve the result” was 6.54 (approximately 7 – strongly agree) with mean score of 0.774 showing that respondents strongly agreed. The descriptive and relative importance index of these three indicators demonstrated a high degree of impact of leadership on organisational performance. The relative importance index of innovation to organisational performance shows the following results. There is a significant RII of (0.92) for increasing skills to innovate, illustrating the extent to which innovation can impact organisational performance through acquisition of skills to innovate. Innovation is viewed as a strategy of an organisation to deliver much more with less effort and hence its importance. Table 1 provides evidence of descriptive statistics and RII of innovation in organisation.

Table 1 Descriptive Statistics and Relative Importance Index of what Innovation is in Organization

	N	Mean	Std. Dev.	RII	Ranking
Are there training programs aimed at increasing skills for public sector innovation at the municipality	150	6.47	1.55	0.92	1
Innovations can ease the pressure on public sector workers in the delivery of organizational goals	150	5.99	1.46	0.86	2
Innovation can increase transparency in public sector operations	150	5.51	1.59	0.79	3
Public sector works are likely to resist innovations because they prefer the status quo	150	5.43	1.91	0.78	4

Within the Tarkwa Nsuaem Municipal Assembly, it was found that there are training programmes aimed at increasing skills for organisational innovation especially targeted towards senior and middle management staff of the assembly.

Table 2 shows RII of 0.78 in favour of “leadership and innovation are interdependent in any effort at increasing organisational performance”. This is indicative of the need to focus attention on the two concepts in the development of any organisation.

Upon establishing the relative importance of leadership and innovation in organisations, a further determination was made as to the significant relationship between leadership and innovation in organisational performance. In Table 3, the magnitude of T-values (high) and p-values (less than 0.05) show a significant relationship between leadership and innovation in organisational performance. This is depicted by the value statements pointing to the fact that leadership and innovation have reinforcing roles in organisational performance.

3.2 Factors that Hinder Leadership and Innovation

Factors considered to hinder leadership and innovation included resistance of public sector towards innovation, the non-acknowledgement of the benefits of innovation in the public sector, poor capacity of leaders to introduce and manage innovation, resource constraints, the consideration of leadership as important than innovation and the consideration of innovation and leadership as factors that achieve results jointly. Assessment of the RII of these factors shows that “leaders in the public sector resist innovations and hence the failure to introduce same” as the value statement with the highest RII of (0.82) (see Table 4).

Public bureaucracies are acceptable practices everywhere in the world and therefore no need for innovations	150	5.41	1.95	0.77	5
Innovations are not necessarily solutions to public sector efficiency	150	5.34	1.84	0.76	6
Innovations can reduce public sector bureaucracy and increase performance	150	5.27	1.88	0.75	7
Innovation is about the introduction of creative and new ways to achieve organizational results.	150	4.57	1.98	0.65	8

Table 2 Descriptive Statistics and Relative Importance Index of Factors that Promote a Fit between Leadership and Innovation

	N	Mean	Std. Dev.	RII	Ranking
Leadership and innovation are interdependent in any effort at increasing organizational performance	150	5.51	1.989	0.78	1
The introduction of technology, new equipment and increased scope of work also requires new leadership knowledge and skills to lead organisations	150	5.35	1.959	0.76	2
Competitiveness among organisations call for technological innovations and strategies as well as good leadership to achieve greater results	150	5.21	2.074	0.75	3
The leaders by themselves cannot drive organisations with their personal innovations, but rather the holistic innovation of the entire organization	150	5.21	2.107	0.75	4
Enhanced organizational performance requires new ways of working and new leadership skills	150	5.16	2.133	0.74	5
Innovations by themselves do not achieve results but rather good leadership	150	4.92	2.169	0.70	6

Table 3 The Extent of Significance of the Factors that Promote a fit between Leadership and Innovation

	Mean	t-value	p-value	Extent
Enhanced organizational performance requires new ways of working and new leadership skills	5.16	4.363	0.000	Significant
The introduction of technology, new equipment and increased scope of work also requires new leadership knowledge and skills to lead organisations	5.35	5.918	0.000	Significant
Innovations by themselves do not achieve results but rather good leadership	4.92	2.936	0.002	Significant
Competitiveness among organisations call for technological innovations and strategies as well as good leadership to achieve greater results	5.21	4.802	0.000	Significant
The leaders by themselves cannot drive organisations with their personal innovations, but rather the holistic innovation of the entire organization	5.21	4.729	0.000	Significant

Table 4 Descriptive Statistics and Relative Importance Index of Factors that Hinder Leadership and Innovation

	N	Mean	Std. Dev.	RII	Ranking
Leaders in the public sector resist innovations and hence the failure to introduce same.	150	5.73	1.885	0.82	1
Organization does not see the benefits of innovations in the public sector and hence the absence of same.	150	5.65	1.946	0.81	2
The leaders do not have the capacity to introduce or manage innovations and hence the absence of same	150	5.13	2.011	0.73	3
The organization lacks resources to introduce innovations in their operations.	150	4.80	2.195	0.69	4
What is needed in the public sector is good leadership and not innovations.	150	4.77	2.044	0.68	5
Innovations by themselves do not achieve results but rather good leadership	150	4.77	2.298	0.68	6

Some factors that hinder relationship between leadership and innovation have been presented and prioritised by respondents in Table 5. The most significant factor affecting leadership and innovation was “resistance to innovation in the public sector received a higher T-value and p-value < 0.05, therefore impacts greatly on the relationship between innovation and leadership in a bid to enhance organisational performance. And the second most significant factor was “Organisation does not see the benefits of innovations in the public sector and hence the absence of same”, p-value < 0.05.

3.3 Influence of Leadership and Innovation on Organisational Performance

All the value statements in Table 6 about the influence of leadership and innovation on organisational performance were favourably ranked. This implies that leadership and innovation have a significant effect on how an organisation functions and progresses into the future. Building individualised relationship with employees, considering their needs, aspirations and skills has been prioritised above all the interventions aimed at improving upon organisational performance. The other important influences of leadership and organisation on organisational performance are stimulating workers intellectually by broadening their interest and encouraging them to think about old problems in a new way, mean score of 5.08 (SD = 1.859). These factors had significant influences on organisational performance, p-values < 0.05. It was also observed that high level of reward system for innovation efforts in organisations and provision of an innovative environment to motivate workers to be ready to

take risk and advance the cause of the organisation were also significantly considered as influencing organisational performance, p-value < 0.05.

In terms of descriptive, relative index and significance test of organisational performance, the indicators of the organisational performance were statistically significant, p-values < 0.05 (Table 7). The mean scores were high above 5.50 showing respondents averagely agreed to the organisational assortment.

3.4 Impact of Leadership and Innovation on Organisational Performance

Partial Least Square Structural Equation Modelling (PLS-SEM) influenced by the sample size of the study was used to assess the impact of leadership and innovation on organisational performance. The evaluation procedure begun with the assessment of measurement model before the structural model evaluation to determine the impact of leadership and innovation on organisational performance. Model evaluation was carried out prior to the estimation of the impact of leadership and innovation on organisational performance. Figure 1 pictorially showed the initial path diagram showing the two constructs with their respective indicators.

Table 5 The Extent of Significance of the Factors that Hinder Leadership and Innovation

	Mean	t-value	p-value	Extent
Leaders in the public sector resist innovations and hence the failure to introduce same.	5.73	8.664	0.000	Significant
Organization does not see the benefits of innovations in the public sector and hence the absence of same.	5.65	7.846	0.000	Significant
The leaders do not have the capacity to introduce or manage innovations and hence the absence of same	5.13	4.426	0.000	Significant
What is needed in the public sector is good leadership and not innovations.	4.77	2.237	0.013	Significant
The organization lacks resources to introduce innovations in their operations.	4.80	2.232	0.014	Significant
Innovations by themselves do not achieve results but rather good leadership	4.77	1.954	0.026	Significant

Table 6 Descriptive statistics and Relative Importance Index of the influence of leadership and innovation on organizational performance

	N	Mean	Std. Dev.	RII	Ranking
Building individualized relationship with employees and consider their needs, aspirations and skills	150	5.21	1.992	0.75	1
Stimulating workers intellectually by broadening their interest and encouraging them to think about old problems in a new way	150	5.08	1.859	0.73	2
There is high level of reward system for innovation efforts in organisations	150	4.86	1.854	0.69	3
Provision of an innovative environment to motivate workers in the organisation to be ready to take risk and advance the cause of the organisation	150	4.75	1.973	0.68	4
Allocation of resources to support creative ideas in the organisation	150	4.58	2.165	0.65	5
Introducing new technologies, practices and procedures in the organisation	150	4.56	2.012	0.65	6
Provision of support for innovation by encouraging, recognising and renewing creativity in organization	150	4.51	2.270	0.65	7
Organisations must articulate an exciting vision of the future of the organisation, inspire and motivate workers to work toward the vision	150	4.43	1.908	0.63	8
Leadership of organisations encourage innovation efforts	150	4.26	2.103	0.61	9

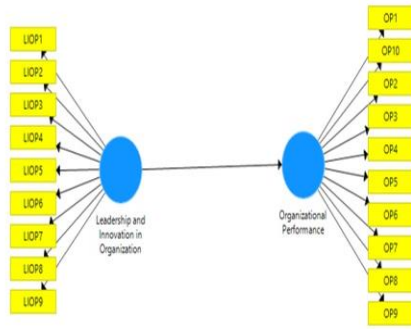


Figure 1: Initial Model Diagram for the Impact of Leadership and Innovation on Organizational Performance

Source: Field Study, 2019

the recommended cut-off value of 50%. In other observation, some of the factor loadings were low and therefore dropped to improve the validity of the construct's followings (Henseler and Sinkovics, 2009; Götz *et al.*, 2010). Outer loadings which were low were dropped taking into consideration its effect on the composite reliability value. The model retained seven (7) indicators for leadership and innovation in organisation with high level of reliability and validity. And there were four (4) indicators for organisational performance retained with satisfactory reliability and validity level (high).

The model evaluation (initial) revealed average variances extracted for both constructs were below

Table 7 The Extent of Significance of the influence of leadership and innovation on organizational performance

	Mean	t-value	p-value	Extent
Building individualized relationship with employees and consider their needs, aspirations and skills	5.21	5.001	0.000	Significant
Stimulating workers intellectually by broadening their interest and encouraging them to think about old problems in a new ways	5.08	4.480	0.000	Significant
There is high level of reward system for innovation efforts in organisations	4.86	3.039	0.001	Significant
Provision of an innovative environment to motivate workers in the organisation to be ready to take risk and advance the cause of the organization	4.75	2.194	0.015	Significant
Allocation of resources to support creative ideas in the organization	4.58	1.018	0.155	Not Significant
Introducing new technologies, practices and procedures in the organization	4.56	0.974	0.166	Not Significant
Provision of support for innovation by encouraging, recognizing and renewing creativity in organization	4.51	0.612	0.271	Not Significant
Organisations must articulate an exciting vision of the future of the organization, inspire and motivate workers to work toward the vision	4.43	0.171	0.432	Not Significant
Leadership of organisations encourage innovation efforts	4.26	-0.815	0.792	Not Significant

3.5 Structural Model Assessment

The impact of the exogenous construct leadership and innovation in organisations and the endogenous construct; organisational performance was determined (Figure 2).

The coefficient of determination R^2 and the path coefficient β value were the key indicators for

measuring the impact of leadership and innovation on organisational performance. Akter, Ambra and Ray, 2011) defined R^2 as the degree of explained variance of endogenous latent variables and Lleras (2005) explained β as the strength of an effect from exogenous latent variable to endogenous latent variables. The significance of the path coefficient and factor loadings were examined using bootstrapping method.

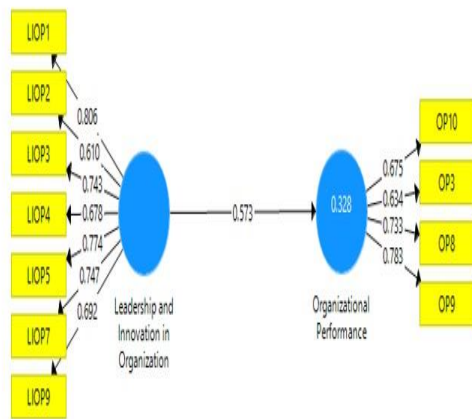


Figure 2: Path Diagram for the Impact of Leadership and Innovation on Organizational Performance

The path coefficient (0.573) in the model illustrates the impact of the combination of leadership and innovation on organisational performance. This is statistically significant (p-value of $0.000 < 0.05$) indicating there is significant positive impact of leadership and innovation on organisational performance. The R-square (R^2) measures the degree of the impact, showing 32.8 percent ($R^2 = 0.328$) of the degree of variance explained by the leadership and innovation in organisational performance was high.

4. Discussion

The aim of the paper was to explore the relationship between leadership and innovation in organisational performance, using the Tarkwa Nsuaem Municipal Assembly (TNMA) as a case study. The results have provided some answers to the research questions posed by the study and are discussed below.

The study unraveled that there is a significantly positive relationship between leadership and innovation on one hand, and between organisational performance on the other. This is supported by the path coefficient (0.573), and significant p-value of $0.000 < 0.05$ of relationship between the two concepts and organisational performance. The path coefficient and T-values (high) show significant relationship between leadership and innovation in organisational performance as depicted by values assigned to a range of statements, but the most significant was that: “Leadership and innovation are interdependent in any effort at increasing organisational performance”. Leadership and innovation must therefore permeate the people, structure and systems and mission and strategy of the organisation to be able to impact positively on

organisational performance. Again, the ranking of the influence of leadership and innovation on organisational performance places “Building individualised relationship with employees and consider their needs, aspirations and skills”. First to show the importance of the two concepts in organisational performance. These support the assertion of Gumusluoglu and Lisev (2009) that a collaborative, participatory leadership style that is transformational is more likely to encourage organisational innovation than a transactional style of payments for work done.

In making a determination of the factors that promote relationship between leadership and innovation, RII of 0.79 in favour of “leadership and innovation are interdependent in any effort at increasing organisational performance” was arrived at which is indicative of the need to focus attention on the two concepts in the development of any organisation. The magnitude of T-values (high) and p-values (less than 0.05) in the analysis further shows a significant relationship between leadership and innovation in organisational performance. This is depicted by the value statements. The RII at (0.93) for a leader, the statement “A leader is different from a manager in that a leader is concerned about results, whereas a manager's concern is about the effective use of resources to achieve the result” was most significant, whereas in the RII for innovation (0.92), training programs aimed at increasing skills for public sector innovation at the Municipality was highlighted the most. This points to the need for continuous training programs to stimulate public sector innovative skills.

Factors that hinder relationship between leadership and innovation was also assessed and the results showed that “leaders in the public sector resist innovations and hence the failure to introduce same” as the value statement with the highest RII of (0.82). Some factors that hinder relationship between leadership and innovation have been presented and prioritised by respondents shows the lack of resources to introduce innovations has been placed first but “resistance to innovation in the public sector for instance received a higher T-value and therefore impacts greatly on the relationship between innovation and leadership in a bid to enhance organisational performance.

It was evident from the research that leadership enhances organisational performance. The relative importance index of leadership shows the degree of impact of leadership on organisational performance by the assigned significant RII (0.93) to the statement “A leader is different from a manager in that a leader's concern is about results, whereas a

manager's concern is about the effective use of resources to achieve the result". This confirms the view of Dorfman (1996) that outstanding leadership is the catalyst for growth and achievement in every corporation as the employees are able to exhibit a lot of motivation and energy at the workplace. Also, the relative importance index of innovation to organisational performance with the results showing there is a significant RII of (0.92) for increasing skills to innovate, illustrating the extent to which innovation can impact organisational performance through acquisition of skills to innovate. Innovation is thus viewed as a strategy of an organisation to deliver much more with less effort and hence its importance.

5. Conclusion and Recommendation

In conclusion, the study results have established a high degree of significance in the relationship between leadership and innovation and their impact on organisation performance. This confirms the position of Samad (2012) that innovation and transformational leadership components are contributing factor and play important roles in enhancing organizational performance. The results revealed that leadership in all its forms has a significant impact on organisational performance. Similarly, innovation also directly impacts on organisational performance. The results altogether indicate a strong relationship between leadership and innovation translate into enhanced organisational performance. This implies that a strong relationship between leadership and innovation is a prerequisite for increased organisational performance. According to Ebrahimi et al (2016), exploitative innovation has the potential to bring development and expansion of skills. Factors which additionally enhance the impact of leadership and innovation on organisational performance were found to include, building individualised relationship with employees, considering their needs, aspirations and skills; stimulating workers' intellectual capacities by broadening their interest and encouraging them to think about old problems in new ways; and a high level of reward system for innovative efforts and provision of an innovative environment to motivate workers in an organisation; take risk and advance the goals of the organisation. There were however factors which could hinder a positive relationship between leadership and innovation and thus negatively affect organisational performance. These factors included resistance to innovation by leadership, failure to identify the benefits of innovation and the right fit for the organisation, and inadequate resources to both introduce innovations and provide the right capacity to adopt innovations.

Additionally, a wrong work place culture of apathy and disregard of work ethics can to a large extent lead to a lapse in the performance of organisations. Innovation in this space is affected and most leadership strategies cannot bear the expected results as indicated from a right innovation and leadership mix. The paper recommended adoption of right leadership style for organisations to deliver their best and be competitive.

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