



The Influence of Innovation Leadership on Employee Performance

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Abstract

The last few decades have seen significant research in the fields of innovation and leadership. The act of motivating, influencing, and directing team members toward the intended objectives is referred to as leadership. However, the term of leadership is broad and has various definitions. It encompasses and influences a range of methods, circumstances, aptitudes, and attributes. On the other side, innovative leaders are creative thinkers who may produce concepts that serve as the foundation for innovation. Understanding the principles of leadership and innovation is essential before one can fully comprehend the true meaning of innovative leadership. This study combines the two terms, reviews the innovative leadership style that will be discussed in the literature, and gives a general summary of how the two terms affect employees performance.

Keywords: Leadership, Innovation, innovation leadership, employee performance

1. Introduction

Over the past few decades, research has focused heavily on innovation and leadership. Companies must implement newly developed innovations in order to withstand continuing changes and transformations (Rajapathirana & Hui, 2018). Organizations and their leaders believe it is crucial to enhance the environment in which innovation can be established within the organization since the danger of non-sustainability increases with failure to innovate (Luqmani et al., 2017). This is the reason why extending procedures and ways to sustain innovation is given top importance by successful firms, especially those with effective management.

The importance of innovative leadership in creating organizational success has been highlighted in research on innovative leaders (Alharbi, 2021; Alsolami et al., 2016; Muttaqin, 2022). Leadership is the capacity to affect performance, competence, and inspire workers within an organization toward objectives. By bringing about improvements, the leader's contribution to the organization can ensure its survival (Muttaqin, 2022). In order to enhance staff capabilities through efficient interactions, leadership must be able to inspire, motivate, and foster a welcoming environment. In order to successfully implement the company's vision, leaders can also stimulate creative thinking (Chhotray et al., 2018).

Innovative leadership style differs from conventional leadership style in certain ways (Alsolami et al., 2016). Several studies stated that the effectiveness of the organization as a whole and of its employees will depend on innovative leadership and culture. This is in line with study conducted by Dea et al, (2019) stated that Employee performance is significantly impacted by creative culture and transformative leadership. M.Hazem & Zehou (2019) state that Innovative cultures can impact how well managers' function. According to Priyashantha (2022) leadership has a positive effect on performance. However, several studies have also concluded that innovation and leadership had no impact on employee performance. Supriyanto (2020) show that Employee performance is not greatly impacted by the leadership style. It was determined that employee performance is unaffected by a leader's style of management. Because employees can work independently, there is a set work schedule, and there are regular operating processes, transformational leadership has no effects on performance (Standard Operational Procedure) (Eliyana et al., 2019). The purpose of this research is to examine the innovative leadership approach that will be discussed in the literature, combines the two concepts, and it gives a general summary of how the two terms affect employees' performance.

2. Innovative

Since the 20th century, innovation has started to take on increased importance. Numerous fields, including science, sociology, engineering, economics, and business, have given this topic a great deal of attention. Even though it has been studied in many different fields, it is still not well understood. Innovation is frequently mistaken with words like creativity, design, invention, and change. Furthermore, a number of definitions accurately convey what innovation really means (Alharbi, 2021). Innovation refers to three concepts: mindset, process, and result. When innovation is referred to as a mindset, it is implying that it is ingrained and instilled in people. The innovation in these people will only develop in environments that foster organizational culture (Kahn, 2018). Four important components of innovation are highlighted. These features include ideation, value creation, implementation, and collaboration.

Every great concept needs an innovative organization or leader to develop it into a finished good and put it to market. Internal and external elements both have the potential to create an innovative growth environment within the company. Internal factors are how organizations promote, introduce, and provide the best bonuses or other benefits for original ideas that come from within the organization. When a company refers to external aspects, it means how it provides and provides the knowledge that comes from external companies. In this situation, the corporation can create a strategic partnership with other businesses or relevant organizations, such research facilities and universities, in order to offer learning through seminars, talk shows, technical advice, or consultancy (Purwadita et al., 2018).

There are 5 types of innovation according to (Septiadi & Kristanto, 2019): a. Product innovation is the introduction of new, significantly improved products and services. It involves improving its usability, technical prowess, and other useful qualities. such as smartphones, laptops, and automobiles, b. Process innovation is the application of methods to raise the quality of newly created commodities or the delivery of goods, c. marketing innovation creating strategies for capturing additional market shares by enhancing the standard of the design, packaging, and promotion, d. organizational innovation business procedures, organizational management techniques, or organizational behavior, e. Business model innovation Based on your values, modify your business practices.

3. Leadership

In order to survive and compete in the environment of rapid environmental changes, an organization or company must constantly work to increase its effectiveness. Leadership is defined as a person's capacity to inspire, facilitate, or persuade others to work toward organizational success and effectiveness where they are associated (Asrar-ul-Haq & Anwar, 2018). Leadership is the capacity of an individual to transform a vision a reality (Asrar-ul-Haq & Anwar, 2018). One person's ability to influence others is the essence of leadership (Yordanova, Z., Blagoev, 2015). Leadership was determined to be a method by which one person may persuade others to put up their best effort in order to accomplish their aims (Nwakpa, 2019). Leadership was found to be a method through which one person may persuade others to put up their best effort in order to accomplish their goals (Murray & Chua, 2015).

In the workplace, leaders play a crucial role that contributes to the overall success of the company (Akpapere et al., 2019). Therefore, it is the responsibility of leaders to create an environment where workers can learn from one another, exchange expertise, and collaborate to accomplish common objectives. Leadership is defined as a person's total capacity to inspire and motivate those around him to make voluntary contributions to the achievement of goals (Goddy, Osa, 2014). The degree of trust that exists between the leader and his employees affects each employee's performance. As mentioned above, leadership may be viewed as a process of influencing the actions of people or groups as they strive to accomplish objectives in a certain environment. As a result, leadership is defined as the process through which an individual may inspire subordinates to attain shared goals and objectives. Additionally, it has been observed that leaders can motivate and inspire their followers to achieve organizational goals by offering words of support, inspiration, and self-assurance (Susilo, 2018).

According to some researchers, the leadership style used can have a significant impact on the achievement of organizational goals and employee performance (Amegayibor, 2021; Asrar-ul-Haq & Anwar, 2018; Suwandana & Dwipayanti, 2021; Suwuh, 2015). It is widely acknowledged that leadership has the power to influence an organization's vision and direction, which in turn influences how stakeholders of the organization succinctly communicate the essence of innovation. This ability to influence is not only recognized as a necessary component for increased innovation but also for the success of an organization, as it not only aids in the generation of ideas (Naguib & Naem, 2018; Soomro et al., 2020). According to the definition given above, leadership has nothing to do with a person's status within an organization, level of seniority, or other personal characteristics. Instead, it has to do with a person's capacity to motivate others to accomplish a certain objective.

Fairness in leading, intelligence, and giving acceptable direction and instructions are all characteristics of good leadership (Tamimi, 2022). This mean that the level of employee productivity is influenced by the leadership style of the organization. The existence of a leader allows management of an organization to be directed in accordance with planning and is able to offer examples or instructions regarding the roles and responsibilities of each field under it. To increase the level of subordinates' productivity through effective leadership. Despite the differences in the definitions, they all have at least three significant implications. First, specific people engage in the process of leadership (leaders).

It is a continuous process within a company. Second, it involves others in the form of subordinates or workers who, by their desire to be affected by the leader, are involved. By making the leadership process possible, the subordinates therefore formalize the leader's authority. Thirdly, the achievement of a goal and objectives is the purpose of leadership. The summary above makes it quite evident that leadership style is a crucial element in improving employee performance.

4. Innovation Leadership

In the 21st century, innovation is crucial for every company that is growing rapidly. Today's complex world has a huge need for innovative leaders. To increase business results in the complex sector, innovative ideas are required. Any successful company needed an innovative leader. Any company that wants to have a bright future and significant internal transformation must have a Leader that is innovative and creative. Utilizing the innovative leader approach is a tremendous benefit for any company in the challenging environments of today (Riza et al., 2020). The global era shows the need for a new type of leadership

Innovative leadership is the use of innovative approaches, tools, processes, or concepts to address specific customer needs and discover answers to both immediate and long-term issues (Şen & Eren, 2012). Thus, innovation leadership refers to strategies and principles that combine different leadership philosophies to persuade and inspire staff to develop innovative goods, services, and ideas (Anand & Saraswati, 2014). The innovative leader has a crucial responsibility in the application of innovation leadership. Innovative leadership is seen to be able to support the accomplishment of a group's or organization's vision and mission when it comes to organizational development. Innovative leaders have several characteristics in common: they possess the abilities, talents, values, and knowledge to identify current risks and predict future negative effects (Jiang & Chen, 2021). Additionally dedicated and visionary, innovative leaders work to advance the social, political, and economic well-being of society (Anand & Saraswati, 2014). To remain profitable and competitive in the face of new processes and technologies, it is crucial for businesses to think creatively (Alharbi, 2021).

Leaders play a crucial influence in determining the success and character of innovative activities, which is critical for companies to successfully adapt to new changes. In order to implement, adopt, and understand their business change models and to encourage companies to innovate in order to stay competitive with other companies, organizations have been forced to re-evaluate and reassess how they operate as a result of market changes, rapid technological advancements, and rising customer expectations.

5. Influence of Innovation Leadership on Employee Performance

Performance is the outcome of a job appraisal in comparison to predetermined standards. Employee performance is a result of how ability and motivation interact. There are some factors that must be carefully considered in the study of worker or employee performance management since an employee's individual performance within an organization is a component of organizational performance and affects the performance of the organization (Prasetya, 2018). Leadership is a crucial aspect that affects employee performance and a company's capacity to respond to external changes. Leadership covers the interaction between a leader and those under their control (workers), as well as how a leader instructs subordinates to meet the leadership's objectives or expectations (Nguyen et al., 2020). The fact that the leadership style employed is relevant to organizational conditions is another element that contributes to the influence of leadership style having a positive and significant effect on performance. (Hadian Nasab & Afshari, 2019; Kalsoom et al., 2018; Rita et al., 2018).

Employee performance is positively and significantly impacted by transformational leadership and corporate culture. By engaging in creative labor practices as a moderator, both directly and inadvertently In other words, the more supportive the boss's leadership style and organizational culture are, the more supportive the company's innovative work style and employee performance will be, This finding is in line with previous research (Naguib & Naem, 2018; Prameswari et al., 2020; Zuraik & Kelly, 2019). Employee performance is significantly and positively influenced by innovative work behavior. It implies that employee performance will improve as employee innovation activities become more positive (Afsar & Masood, 2018; Afsar & Umrani, 2020; Bednall et al., 2018; Farahnak et al., 2020).

6. Conclusion

Companies function better under the direction of charismatic leaders who can inspire their employees and prioritize the needs of the organization before personal interests. Additionally, leaders that are able to support their employees' personal growth, attention to their unique needs, and intellectual stimulation are able to instill a culture of innovation inside their organization. The success of a company is greatly influenced by its leadership. A good leadership must have the flexibility to adapt to the needs of the company and to support the success of his company. Many leaders are successful and have transformational and democratic leadership styles. In other words, the team leader's innovation

and creativity will increase as their adoption of transformational leadership traits increases. On the other hand, innovative team leaders can develop deep emotional and cultural bonds with their subordinates. As a result, the leader can develop and establish a team that performs at a high level as planned. In other word, it is evident that innovative leaders have a positive effect on employee performance.

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