

2020

## The Efficacy of Ghana's Business Interest in the Global Economy

Sandra Mateko Elikplim Dankwa  
*Walden University*

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# Walden University

College of Management and Technology

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Sandra Mateko Elikplim Dankwa

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Walden University  
2020

Abstract

The Efficacy of Ghana's Business Interest in the Global Economy

by

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MBA, American Public University, 2012

MHSA, Strayer University, 2007

BA, University of Ghana, 1999

Dissertation Proposal Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Management

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## Abstract

Small-to-medium enterprises (SMEs) are drivers of economic growth and development worldwide. SMEs in the Greater Accra region of Ghana have not been able to innovate and sustain competition. The problem in this phenomenological study was that leaders of SMEs in this region have not fully understood the contributions of the transformational leadership model to the capacity of organizations to innovate and sustain competitiveness. The purpose of this study was to explore and describe the lived experiences of leaders of SMEs in Ghana in leveraging organizational capabilities for innovation and competitiveness. The study's conceptual framework was grounded in transformational leadership. The research question sought participants' experiences in leveraging their organizational capacities for innovation and sustaining global competitiveness. Eligibility criteria for participants were a minimum of 5 years of leadership experience and at least 5 employees. Data were collected from 20 SME leaders in this region who responded to semistructured interview questions through phone. Transcribing and member checking data helped to establish the trustworthiness of the study. Thematic analysis was used to analyze data. The findings of this study revealed that current leadership styles were not attaining the desired organizational outcomes. The results showed that leadership improvements were needed to ensure and sustain future performance. A recommendation is that the SME leaders adopt transformational leadership to leverage the innovative capabilities of their SMEs. The implication for positive social change might be that adopting the transformational leadership style might translate into competitive and sustainable SMEs.

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## Dedication

I dedicate this dissertation to my amazing husband Frank. Thank you for your prayers and support and for being my biggest cheerleader on this journey. I thank you for keeping me motivated to achieve this lifelong dream. I am thankful for our beautiful daughters, Makayla and Marvelle .Their pride in my journey inspired and kept me focused through the challenging times of pursuing this doctoral degree. I hope this achievement encourages them to continually give the world their best! To my parents, siblings and extended family, I have come this far and thrived because of your immeasurable support and love; I remain eternally grateful. Finally, I dedicate this dissertation to my beloved late grandmother, Esther Asi Fugar, I thank you for your inspiration. I owe all I am to you.

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## Table of Contents

|  |    |
|--|----|
| List of Tables.....                        | vi |
| Chapter 1: Introduction to the Study ..... | 1  |
| <b>Introduction</b> .....                  | 1  |
| Background of the Study.....               | 2  |
| Problem Statement .....                    | 5  |
| Purpose of the Study .....                 | 6  |
| Research Question .....                    | 7  |
| Conceptual Framework.....                  | 7  |
| Nature of the Study.....                   | 8  |
| Definitions .....                          | 10 |
| Assumptions .....                          | 11 |
| Scope and Delimitations .....              | 11 |
| Limitations .....                          | 12 |
| Significance of the Study .....            | 13 |
| Significance to Theory .....               | 13 |
| Significance to Practice.....              | 15 |
| Significance to Social Change .....        | 15 |
| Summary and Transition.....                | 16 |
| Chapter 2: Literature Review .....         | 18 |
| Literature Search Strategy.....            | 19 |
| Conceptual Framework.....                  | 20 |

|   |    |
|---|----|
| Intellectual Stimulation .....                                      | 22 |
| Individualized Consideration.....                                   | 23 |
| Inspirational Motivation .....                                      | 23 |
| Idealized Influence .....   | 25 |
| SMEs.....   | 26 |
| SMEs in Ghana .....   | 28 |
| SME Challenges in Ghana .....                                       | 30 |
| Leadership Style, Competencies, and Organizational Performance..... | 34 |
| Transactional Leadership Style.....                                 | 35 |
| Transformational Leadership Style.....                              | 36 |
| Servant Leadership Style.....                                       | 38 |
| Laissez-Faire Leadership Style.....                                 | 39 |
| Leadership Competencies.....  | 40 |
| Transformational Leadership for Global Business .....               | 47 |
| Gap in the Literature .....   | 60 |
| Summary and Conclusion .....  | 61 |
| Chapter 3: Research Method.....                                     | 63 |
| Research Question .....   | 63 |
| Research Design and Rationale .....                                 | 64 |
| Role of the Researcher .....  | 66 |
| Methodology .....   | 68 |
| Participant Selection Logic.....                                    | 68 |

|   |    |
|---|----|
| Sampling Strategy.....  | 69 |
| Saturation.....   | 70 |
| Instrumentation.....  | 71 |
| Pilot Study.....  | 71 |
| Procedures for Recruitment, Participation, and Data Collection..... | 72 |
| Data Analysis Plan.....   | 74 |
| Issues of Trustworthiness.....                                      | 76 |
| Credibility.....  | 76 |
| Transferability.....  | 77 |
| Dependability.....  | 77 |
| Confirmability.....   | 78 |
| Ethical Procedures.....   | 78 |
| Summary.....  | 80 |
| Chapter 4: Results.....   | 82 |
| <b>Introduction</b> .....   | 82 |
| Pilot Study.....  | 82 |
| Research Setting.....   | 83 |
| Demographics.....   | 84 |
| Data Collection.....  | 86 |
| Recruitment.....  | 86 |
| Data Collection Technique.....                                      | 87 |
| Data Analysis.....  | 89 |

|  |     |
|--|-----|
| Evidence of Trustworthiness .....  | 93  |
| Credibility .....  | 93  |
| Transferability .....  | 94  |
| Dependability .....  | 95  |
| Confirmability .....   | 95  |
| Study Results .....  | 96  |
| Theme 1: Diverse Leadership Styles .....   | 98  |
| Theme 2: Leadership Challenges: Employees, Customers, and Finances .....             | 99  |
| Theme 3: Perceptions of Leader Skills That Encourage Innovation .....                | 101 |
| Theme 4: Perceptions of Leader Behavior that Empower Innovation .....                | 102 |
| Theme 5: Establishing Organizational Vision and Purpose .....                        | 103 |
| Theme 6: Employee Dedication toward Achieving the Organizational<br>Vision .....     | 103 |
| Theme 7: Innovative Decision-making Process .....                                    | 105 |
| Theme 8: Global Competition .....  | 106 |
| Theme 9: Multiple Challenges Impacting Organizational Innovation .....               | 107 |
| Theme 10: Measures to Support Future Organizational Innovative<br>Capabilities ..... | 108 |
| Theme 11: Identifying Rising Leaders .....   | 110 |
| Theme 12: Experiential Leadership Development and Training .....                     | 110 |
| Summary .....  | 111 |
| Chapter 5: Discussion, Conclusions, and Recommendations .....                        | 112 |

|   |     |
|---|-----|
| Interpretation of Findings.....   | 113 |
| Transformational Leadership.....  | 113 |
| Establishing Organizational Vision and Purpose .....                    | 114 |
| Diverse Leadership Styles .....   | 115 |
| Leader Behaviors and Skills That Encourage and Empower Innovation ..... | 116 |
| Leadership Identification and Development .....                         | 116 |
| Leadership Challenges .....   | 117 |
| Innovation and Global Competition.....                                  | 119 |
| Measures to Support Future Organizational Innovative Capabilities ..... | 120 |
| Limitations of the Study.....   | 121 |
| Recommendations.....  | 122 |
| Implications .....  | 125 |
| Significance to Theory .....  | 125 |
| Significance to Practice.....   | 126 |
| Significance to Social Change .....                                     | 127 |
| Conclusions .....   | 127 |
| References.....   | 129 |
| Appendix A: Letter of Introduction and Recruitment .....                | 148 |
| Appendix B: Interview Protocol .....                                    | 150 |

List of Tables

Table 1. Participants' Industries and Percentages .....85

Table 2. Participant Demographics .....86

Table 3. Breakdown of the Themes and Nodes Derived from the Coding.....97

## Chapter 1: Introduction to the Study

### **Introduction**

Small and medium-sized enterprises (SMEs) have gained acceptance worldwide as drivers of economic growth and development (Savrul, Incekara, & Sener, 2014). SMEs represent 90% of business generated in the private sector and contribute approximately 60% of the gross domestic product (GDP) within Sub-Saharan African countries (United Nations Industrial Development Organization, 2014). SMEs constitute 85% of business enterprises in the private sector in Ghana (International Trade Center, 2016) and account for 70% of employment (Kusi, Opata, & Narh, 2015).

Despite the social and economic contributions of SMEs to national development, only 40% of all SMEs established in Ghana survive beyond 5 years (Amoako, 2013; Kusi et al., 2015). The general problem is that SME leaders in Ghana do not have a system in place to lead and promote effective behaviors, attitudes, and attributes to leverage the innovative capacity of their organizations to compete effectively and contribute optimally to the local and global economy (Ebodaghe & Shobayo, 2017; Forkuoh, Appenti, & Osei, 2012; Oladimeji, Danquah, Owusu-Bempeh, Abbey, & Pokua-Duah, 2015). The specific problem under study was that leaders of SMEs do not fully understand the contributions of the transformational leadership model to the capacity of organizations to innovate and sustain global competitiveness (Acquaah & Agyapong, 2015; Appiah-Nimo, Boohene, Gbadeyan, & Agyapong, 2016; Ng, Kee, & Ramayah, 2016).

This study is important due to the potential benefits of SMEs to the Ghanaian economy in terms of job creation, wealth creation, and poverty alleviation. The lack of

innovation in SMEs could result in loss of employment and income, and could lead to economic and social problems for the national economy and for the people who rely on SMEs for their livelihood. It is important to understand the factors that contribute to their failure to innovate and gain new information and insights to address the transformational leadership behavioral gaps. This study is important because current management practices in SMEs are making it hard for these companies to compete when SMEs in the Western world are having noticeable impact by attracting investment, fueling economic growth, and bringing prosperity. The social implication of this study is that the findings might translate into successful businesses that provide long-term employment and reduced national poverty rates.

The next sections include the background of the study, followed by the problem statement, the purpose of the study, the research questions, and the conceptual framework of the study. Subsequent sections address the nature of the study, definitions of key terms, assumptions, scope and delimitations, limitations, and significance of the study.

### **Background of the Study**

Leaders of SMEs continue to struggle with leading their employees to innovate, compete, and survive in a globally competitive market, despite the contributions of SMEs to economic development. In Ghana, SMEs constitute 85% of business enterprises in the private sector (International Trade Center, 2016) and account for 70% of employment (Kusi et al., 2015) and income. The effectiveness of SME contributions to the economic development of countries requires that SME leaders engage in leadership behaviors that promote organizational innovation to compete successfully in global markets, sustain

their operations, and survive (Dunne, Aaron, McDowell, Urban, & Geho, 2016). However, 50% of SMEs fail in the United States by their fifth year (Bureau of Labor Statistics, 2016), and only 40% of SMEs in Ghana survive beyond 5 years (Amoako, 2013; Kusi et al., 2015).

The failure of SMEs to innovate is due to inefficient systems and to leadership behaviors that are insufficient for leveraging their innovative capacity for competition and survival (Ebodaghe & Shobayo, 2017; Forkuoh et al., 2012; Oladimeji et al., 2015). Leadership practices such as cronyism, discrimination, patronage, and deferment to authority are prevalent in Ghanaian organizations (Danquah, Owusu-Bempeh, Abbey, & Pokua-Duah, 2015; Forkuoh et al., 2012) and present challenges to creating environments that enable innovation to drive competition, as employees are powerless to contribute to organizational growth based on their limited experience and expertise (Forkuoh et al., 2012). Vuori and Huy (2015) reported that the inability of leadership to encourage an empowering organizational climate, where followers can challenge the status quo and propose new solutions to problems, contributes to organizational leaders' inability to leverage talent for innovation and to organization failure.

Leadership behaviors are associated with organizational innovation and performance (Yıldız, Baştürk, & Boz, 2014), as they set the tone for employees to either challenge the status quo for creativity or follow the path of dependency. Effective leaders exhibit personal integrity, emotional intelligence, a big-picture mentality, a clear vision, and care for others (Nyukorong & Quisenberry, 2016). They create supportive climates for others to share their ideas alternate products in response to constantly changing

business environments, improves performance and leads to business growth (Raymond, Bergeron, & Croteau, 2013). Denning (2015) discussed how the leaders of Etsy, an online trading platform, were able to attain expansive reach and widespread success because they created a supportive environment for employees to innovate and improve its systems without relying on leadership approval for each improvement. The process resulted in an agile organization with innovative and improved processes that create value for customers and respond rapidly to constantly changing customer demands.

Leaders who exhibit idealized influence, inspirational motivation, individualized consideration, and intellectual stimulation—the core characteristics of transformational leadership—are supportive and they positively influence employee perceptions of their work environment; hence, employees are willing to be creative (Dunne et al., 2016). Ashkan (2016) found that transformational leadership behaviors and perceptions of supportive environments have a positive relationship with levels of employee creativity and innovation, as employees feel empowered and supported to challenge the status quo that inhibits creativity. Transformational leaders use inspirational motivation to articulate clear, enthusiastic, and optimistically collective visions, goals, and to elicit a commitment to these from their followers by establishing trusting relationships (Dunne et al., 2016).

Prior studies on performance, growth, and competitiveness in Ghanaian SMEs have included a focus on government policies, and SMEs' access to capital, and access to loan guarantees to expand growth. Agyapong, Mmieh, and Mordi (2018) found that the lack of education and competition, poor energy supply, and inflation affect SME growth in Ghana. In a phenomenological study, Adom and Asare-Yeboah (2016) evaluated the

influence of human capital on female entrepreneurship. They found a knowledge gap on how transformational leadership behaviors can contribute to leveraging organizational talents for creativity and innovation within Ghanaian SMEs to respond to the demanding challenges of global business (Appiah-Nimo et al., 2016). This study is important because it addresses the gap in knowledge by describing the experiences of leaders of SMEs in Ghana that affect their organizational performance.

### **Problem Statement**

SMEs have gained acceptance worldwide as drivers of economic growth and development (Savrul, Incekara, & Sener, 2014). Ghanaian businesses possess enough qualified human capital capabilities to compete on a global scale (United Nations Development Program, 2016), however, SME leaders in Ghana have not been able to overcome challenges associated with inadequate infrastructure, lack of finance, poor managerial practices, and rapidly changing business environments (Akinyemi & Adejumo, 2017) as they attempt to globalize their operations and become competitive in the global market. Furthermore, the absence of effective leadership at organizational and institutional levels (Acquaah & Agyapong, 2015) to create the dynamics that are fundamental to driving competition on a global scale continues to present serious challenges and obstacles to innovation (Charles, Amankwaa, & Owusu, 2015; Obeng, Robson, & Haugh, 2014), as the leadership practices of horizontal leadership, high power distance (Forkuoh et al., 2012), cronyism, discrimination, and patronage continue to prevail in organizations in Ghana (Danquah et al., 2015).

The general problem is that leaders of Ghanaian SMEs do not have a system in place to lead and promote effective behaviors, attitudes, and attributes to leverage the innovative capacity of their organizations to compete effectively and contribute optimally to the local and global economy (Ebodaghe & Shobayo, 2017; Forkuoh et al., 2012; Oladimeji et al., 2015). The specific problem is that leaders of SMEs have not fully understood the contributions of the transformational leadership model to the capacity of organizations to innovate and sustain global competitiveness (Acquaah & Agyapong, 2015; Appiah-Nimo et al., 2016; Ng et al., 2016). Researchers have not adequately explored the lived experiences of Ghanaian SME leaders about how they leverage organizational innovative capacities for global competitiveness (Ng et al., 2016). A descriptive phenomenological study was necessary to explore and describe the lived experiences of SME leaders in Ghana about leveraging the innovative capabilities of their employees and sustaining competitiveness. Leaders of Ghanaian SMEs could use the results of this study to lead their organizations competitively.

### **Purpose of the Study**

The purpose of this qualitative, descriptive, phenomenological study was to explore and describe the lived experiences of leaders of SMEs in Ghana for leveraging their organizational capabilities for innovation and competitiveness. Innovation, which refers to improvements to processes and procedures that lead to optimization of talent and improved services (World Intellectual Property Association, 2012), is necessary for SMEs to participate in the global market and to ensure their success and longevity in a globally complex and demanding environment. Transformational leaders can create

supportive environments for their employees to respond to the changing needs of their business environments and inspire innovative behaviors. The sample size for this study was 20 participants, the point where data saturation was reached.

### **Research Question**

This study was guided by the following research question: How do leaders of SMEs in Ghana describe their leadership experiences in leveraging their organizational capacities for innovation and sustaining global competitiveness?

### **Conceptual Framework**

The conceptual framework that grounded this study was transformational leadership. Burns (1978) introduced the idea, and Bass and Avolio (1997) expanded it. The basis is leaders' capability to inspire and motivate followers toward common organizational goals, and the basis of the components of transformational leadership is the interrelationship between followers and leaders with respect to (a) individualized consideration, (b) idealized influence, (c) intellectual stimulation, and (d) inspirational motivation. The transformational leadership framework serves as an opportunity to explore leadership experiences and to understand how these experiences contribute to the engagement, planning, and creation of enabling environments for leaders and their followers to innovate and to overcome challenges (Uhl-Bien, Marion, & McKelvey, 2007). Gaining an understanding of the contributions of transformational leadership behavior to SME performance could lead to optimal performance, innovation, and sustainability.

### **Nature of the Study**

This qualitative study used a descriptive phenomenological design. The premise of descriptive phenomenology is the construction of reality in the human consciousness by the perceptions, experiences, and understanding associated with entities and events (Husserl, 1913/1983; van Manen, 1997, 2014). Researchers use qualitative methodologies when they want to understand participants' experiences of, and perspectives on, a phenomenon (Hammarberg, Kirkman, & de Lacey, 2016). Heuristic phenomenology, which researchers also use to discover and describe a phenomenon, is a process of reflexivity, in which the researchers seek to understand their personal experiences of the phenomenon and the importance of the experiences of others who have experienced the phenomenon (Patton, 2015). Moustakas (1994) described heuristic phenomenology as a process of self-discovery. The heuristic design was not suitable for this study because I had not experienced the phenomenon personally and I was not seeking self-discovery through the reflexivity of my experiences. Rather, I sought an understanding of the phenomenon identified through the literature to better describe it and to contribute to changes in leadership that could translate into improved performance and growth among SMEs in Ghana.

Quantitative and mixed methods were not suitable for this study because the purpose of the study was not to confirm hypotheses, quantify the problem, or test a theory. An ethnographical approach was not suitable for this study due to the absence of distinct cultural elements in the study. A narrative approach would not have addressed the

purpose and questions, as the study did not involve an attempt to understand cultures and social norms.

The purpose and research question for this study were suitable for a descriptive phenomenological design. The descriptive phenomenological design is derived from Husserl's phenomenology and focuses on the essence of human phenomena (Giorgi, 2009). The descriptive phenomenological research design allows researchers to access participants' life experiences and associated commonalities as they experienced a phenomenon (Kim, 2016; Patton, 2015).

A phenomenological inquiry has five distinctive elements that are suitable for collecting in-depth, personal, experiential data from participants as they relate to a phenomenon: (a) immersion, (b) incubation, (c) illumination, (d) explication, and (e) synthesis (Giorgi, 2009; Moustakas, 1994). Purposive sampling served as the basis for participant selection. Researchers use it to select participants with in-depth experience and knowledge related to the phenomenon of interest (Patton, 2002). Interviews took place with 20 leaders of SMEs as listed by the Ghana Chamber of Commerce or identified through LinkedIn, within the Tema and Accra municipalities in the Greater Accra region of Ghana. The leaders had been in leadership for a minimum of 5 years and had at least five employees. The descriptive phenomenological design was suitable for attempting to understand the phenomenon under study through researching participants' lived experiences.

## Definitions

*Enabling environment:* A leader-supported initiative in which open dialogue, experimentation, risk-taking, and participative decision-making (Fernández-Mesa & Alegre, 2015) among leaders and employees are encouraged.

*Executive leader:* A leader who identifies and capitalizes on opportunities to advance services and generate value for an entire organization. Executive leaders determine organizational strategy and long-term goals (Hiller & Beauchesne, 2014).

*Executive management:* A leadership group comprising the founder or president of an organization and the team of leaders who allocate resources to implement operational strategies and have oversight responsibilities to ensure organizational goal attainment (Helling & Johnson, 2015).

*Innovation:* Organizational efficiency and competitive advantage attained through improvements of strategies, policies, processes, approaches, products, and services (Dumay, Rooney, & Marini, 2013).

*Leader:* Shin, Picken, and Dess (2017) identified a leader as an individual who does not perceive his or her role in an organization as a power broker or controller of resources but as an adaptive resource willing to assume varied roles (teacher, decision maker, coach, facilitator, or supporter), depending on the needs of the employees to be successful in their roles. Based on this definition of a leader, and for this study, a leader is an individual who understands the needs of employees, facilitates and supports an environment of shared learning, is an intelligent risk taker, takes initiative, and fosters a sense of ownership within an organization.

*Small to medium-sized enterprise (SME):* Generally, an independently owned and operated business entity with less than 500 employees (Cant & Wiid, 2013). For this study, an SME is an organization with up to 50 employees.

*Transformational leadership:* A leadership style that motivates, stimulates, and develops followers into leaders capable of providing new solutions to achieve organizational goals (Burns, 1978).

### **Assumptions**

Assumptions are seemingly true perceptions of a researcher that influence a study but are difficult to substantiate (Paechter, 2013). The data for this study came from leaders of SMEs in Ghana, based on their experiences and perceptions. The participants were volunteers who could have withdrawn from the study at any time without ramifications. I assumed that the participants would be detailed and honest with their answers to provide better insights into understanding the problem. Finally, I assumed that participant selection criteria for this study was appropriate and would ensure all participants had experienced the phenomenon.

### **Scope and Delimitations**

The literature lacks information on the ways that leaders of Ghanaian SMEs could leverage the contributions of the transformational leadership model to increase innovation and global competitiveness. To fill this gap, I studied the lived experiences of 20 Ghanaian SME leaders. Furthermore, I comprehensively explored their experiences using the transformational leadership model to help leverage their organizational capacities for innovation and sustaining global competitiveness.

The scope of this descriptive phenomenological study included the perspectives and lived experiences of 20 Ghanaian SME leaders on the role of leadership in encouraging and amassing innovative talents for efficient organizational performance and for creating an enabling environment for creativity. I used open-ended interviews conducted via telephone and recorded on an audio recorder to gather information from the participants.

Delimitations set the boundaries and scope of a study by narrowing participant selection to the specifics of the problem under study. The selection criteria for this study were Ghanaian SME leaders in the Greater Accra region of Ghana with at least 5 years of leadership experience in an organization that employed up to 50 employees. The study included leaders from SMEs rather than from larger organizations due to the inability of leaders in SMEs to leverage organizational talents for innovation, competition, and sustainability.

### **Limitations**

The data collection method, sample size, and issues of trustworthiness were limitations to the study. The data were collected via interviews using semistructured questions on the perceptions and experiences of participants. Although this method ensured the collection of rich information (Maxwell, 2013), it also created room for participant bias. Participants might have exaggerated their leadership experiences or understated the leadership challenges they faced in their organization.

The sample size was also a limitation of the study. I examined the lived experiences of 20 SME leaders in the Greater Accra region of Ghana in inspiring

innovation and competition within their organizations. The sample size was appropriate for a phenomenological study, and I was able to reach data saturation by the 20th interview; however, only the perceptions and experiences of SME leaders in the Greater Accra region were captured, instead of the perceptions and experiences of SME leaders from all 16 regions in Ghana.

The final limitation pertained to researcher bias, as I was the sole researcher, transcriber, and analyst. This concern was alleviated through member checking. I e-mailed the transcribed interview to each participant to ensure I had accurately captured what the participants said. The use of NVivo software in the data analysis processes further reduced the concern of researcher bias by ensuring that the analysis reflected participants experiences only.

### **Significance of the Study**

The significance of the study was the awareness brought to leadership behaviors that could inspire innovation and competitiveness among leaders of SMEs in Ghana. As only 40% of all SMEs established in Ghana survive beyond 5years (Amoako, 2013; Kusi et al., 2015), it was important to obtain information about, and understand the causes of, this failure rate. The new information gathered, and the new insights gained, helped address the transformational leadership behavioral gaps that impeded the innovation and competition of Ghanaian SMEs on the local and global level.

### **Significance to Theory**

Researchers in prior studies on SME performance in Ghana examined access to, and the lack of, capital and resources. The focus of this study was that leaders of

Ghanaian SMEs do not have a system in place to lead and promote effective behaviors, attitudes, and attributes to leverage the innovative capacity within their organizations to compete effectively and contribute optimally to the local and global economy. Bass (1985) posited that transformational leaders achieve their goals through four constructs: (a) idealized influence, (b) inspirational motivation, (c) intellectual stimulation, and (d) individualized consideration. Leaders employ idealized influence by modeling acceptable behaviors such as trust, ethical commitment, value, and a sense of purpose, loyalty, and confidence for their followers. Leaders use inspirational motivation to articulate clear, enthusiastic, and optimistically collective visions, goals, and plans for attaining organizational goals. Leaders use intellectual stimulation to challenge the status quo and encourage followers to do the same, thereby fostering an environment for alternative perspectives that stimulate creative resolutions to organization problems. The fourth construct of individualized consideration reflects leaders' ability to recognize the individual needs of followers by tailoring tasks to fit their skills; creating challenging working environments; and spurring growth through training, mentoring, and coaching. Para-Gonzalez, Jimenez-Jimenez, and Martinez-Lorente (2018) ascertained the existence of a mediating relationship between transformational leadership and organizational performance, where transformational leadership styles improve organizational performance by enabling organizational learning and innovation culture. The findings of this study extend the knowledge on how the four constructs of Bass's (1985) transformational leadership could culminate in the creation of enabling environments for

creativity and innovation and in improved organizational performance within Ghanaian SMEs.

### **Significance to Practice**

This study on the efficacy of Ghana's business interest in the global economy sought to address the general problem that leaders of Ghanaian SMEs do not have a system in place to lead and promote effective behaviors, attitudes, and attributes to leverage the innovative capacity of their organizations to compete effectively and contribute optimally to the local and global economy (Ebodaghe & Shobayo, 2017; Forkuoh et al., 2012; Oladimeji et al., 2015). In this study I elucidate the leadership behaviors that spur organizational innovation that Ghanaian SME leaders might emulate and practice to lead efficient, competitive, and sustainable organizations.

### **Significance to Social Change**

Social change means improving lives at the individual and collective level through activities, such as service or education on pertinent issues or causes (Walden, 2014). This study could lead to the adoption of transformational leadership behaviors, including agility in operational and product response to business environment changes, organizational growth, and improved employment opportunities to alleviate poverty. Kusi et al. (2015) reported that only 40% of all SMEs established in Ghana survive beyond 5 years. This high failure rate translates into increased unemployment and poverty. This study may include new knowledge that is applicable to business leaders in Ghana about the importance of transformational leadership in improving organizational performance. It might serve as an opportunity to educate college students in Ghana about the

contributions of transformational leadership to recognizing and adapting to the fluidity and complexity of business environments in the future. This study has the potential to effect positive social change in business and, on the national economy, and perhaps in other industries regarding the ideal leadership behaviors for improving organizational performance and sustainability in a constantly changing global world.

### **Summary and Transition**

Leaders of SMEs in Ghana continue to struggle with leading their organizations to innovate, compete, and survive in a globally competitive market. Such struggles persist because the leaders do not have a system in place to lead and promote effective behaviors, attitudes, and attributes to leverage the innovative capacity of their organizations. The specific problem is that leaders of SMEs do not fully understand the contributions of the transformational leadership model. . The overarching research question for this study was as follows: How do leaders of SMEs in Ghana describe their leadership experiences in leveraging their organizational capacities for innovation and sustaining global competitiveness? The population for this study was 20 leaders of SMEs. The conceptual framework of transformational leadership was suitable due to its tenets of individualized consideration, idealized influence, idealized behaviors, intellectual stimulation, and inspirational motivation that leaders use to encourage followers to transcend and to fulfill their self-interests to attain organizational goals. The potential contribution of the study was that SME leaders in Ghana might adopt the transformational leadership model to address the gaps that impede innovation and competition within Ghanaian SMEs at the

local and global level and to lead successful organizations. Chapter 2 offers a review of the literature.

## Chapter 2: Literature Review

The general problem in this study was that leaders of Ghanaian SMEs do not have a system in place to lead and leverage the innovative capacity of their organizations to compete effectively and contribute optimally to the local and global economy (Ebodaghe & Shobayo, 2017; Forkuoh et al., 2012; Oladimeji et al., 2015). The specific problem was that these leaders have not fully understood the contributions of the transformational leadership model to the capacity of organizations to innovate and sustain global competitiveness (Acquaah & Agyapong, 2015; Appiah-Nimo et al., 2016; Ng et al., 2016). The purpose of this qualitative, descriptive, phenomenological study was to explore and describe the lived experiences of leaders of SMEs in Ghana in leveraging organizational capabilities for innovation and competitiveness. Extensive research on transformational leadership has pointed to positive outcomes at the individual and organizational level (Barling, 2014; Bass, 2008; Bass & Riggio, 2006; Wang, Oh, Courtright, & Colbert, 2011); however, there is a gap in knowledge about how leaders of SMEs in Ghana can leverage transformational leadership benefits for their organizations.

The transformational leadership concept provides an opportunity to explore experiences comparable to transformational leadership and how they contribute to engagement in, planning of, and the creation of enabling environments for leaders and their followers to innovate and overcome challenges (Uhl-Bien et al., 2007). Understanding of the contributions of transformational leadership behavior to SME performance could lead to optimal performance, innovation, and sustainability; an

increase in the viability of SMEs in Ghana could further impact social change through economic and social growth nationally.

This chapter includes a discussion of the literature search strategy and a description and discussion of the conceptual framework used as a term of reference for this study. I conducted a review of the existing literature on transformational leadership and organizational performance. I reviewed the gap on the knowledge of transformational leadership behavior and SME performance in Ghana.

### **Literature Search Strategy**

The literature search strategy entailed a review of research on (a) the capacity of transformational leadership to equip leaders of SMEs with the tools, resources, and knowledge required to sustain global competition and (b) how leaders can leverage the talents within their organizations for global competition. I include literature from books and peer-reviewed journals on the contributions of transformational leadership to organizational performance of SMEs generally and in Ghana. I include a review of the literature on leadership styles, competencies, and organizational sustenance efforts. I review literature by writers and researchers who have provided definitions and interpretations of transformational leadership, instances of its application across organizations, and its significance to small businesses. I reviewed seminal works for historical perspectives into transformational leadership and business performance.

To identify prospective, peer-reviewed articles (as well as books and grey literature) on SMEs and transformational leadership, the following electronic databases were searched for the years 2014-2019. Google Scholar, ProQuest, PsycINFO,

ABI/INFORM, Business Source Premier, Academic Search Complete, EBSCOhost, SAGE, EMERALD, and ScienceDirect. . I used the following keywords:

*transformational leadership, small to medium enterprises, leadership, global competition, small business, systems thinking, learning organization, transformational leaders, employee engagement, employee work outcomes, small business performance, small business growth, SMEs in Ghana, SMEs in Africa, and organizational performance.*

The initial search for *transformational leadership* yielded 22,666 peer-reviewed and scholarly articles from ProQuest and EBSCOhost. The general search for *small to medium enterprises* yielded 135, 800 articles from ProQuest and EBSCOhost. A review of articles on SMEs in Ghana produced only 265 scholarly articles. I limited the selection of journals to those published between 2014 and 2019, scholarly and peer-reviewed, and published in the English language. I used 35 of these articles for the study. I also included some seminal work before 2014 to support the conceptual framework aspect of the study. The reference lists of selected articles provided links to additional articles. I used the search engine, Ulrichsweb.com, to ascertain which journals were peer-reviewed.

### **Conceptual Framework**

The transformational leadership model served as the conceptual framework in this study. Burns (1978) introduced the transformational leadership model, and Bass (1985) expanded it. The basis of the concept of transformational leadership is a leader's capability to inspire, motivate, and influence followers to internalize common organizational goals and visions to achieve expected and or exceptional organizational

results (Bass, 1985; Yukl, 1999). Burns's (1978) main construct of transformational leadership was that leaders and followers raise each other to higher levels of motivation and morality. Transformational leaders transform perceptions and attitudes and raise the consciousness of followers through exemplary modeling of accepted behavior to ensure justice and equality and to appeal to the positive and higher ideals and moral values of a team.

Bass (1985) expanded on Burns's (1978) work by explaining the effect of transformational leaders on follower performance and motivation. Bass posited that transformational leaders instill value and purpose for work in their followers, and, based on their feelings of respect, trust, admiration, and loyalty for the leader, followers work willingly and exceptionally to attain the espoused vision and goals. Bass concluded that transformational leaders achieved their goals through four constructs :( a) idealized influence, (b) inspirational motivation, (c) intellectual stimulation, and (d) individualized consideration. Leaders employ idealized influence by modeling acceptable behaviors such as trust, ethical commitment, value, and a sense of purpose, loyalty, and confidence for their followers. Leaders use inspirational motivation to articulate clear, enthusiastic, and optimistically collective visions, goals, and plans for attaining organizational goals. Leaders use intellectual stimulation to challenge the status quo and encourage followers to do the same, thereby fostering an environment for alternative perspectives that stimulate creative resolutions to organization problems. The fourth construct, individualized consideration, reflects leaders' ability to recognize the individual needs of

followers by tailoring tasks to fit their skills and creating challenging working environments, thereby spurring growth through training, mentoring, and coaching.

### **Intellectual Stimulation**

Researchers have defined transformational leadership as an ingress to positive individual and organizational change and leadership, where leaders and followers elevate each other to optimal levels of motivation (Bass & Riggio, 2006; Burns, 1978). Transformational leaders achieve organizational goals through intellectually stimulating their followers by encouraging them to seek alternative and creative solutions to problems, challenging the status quo, and questioning conventional beliefs and assumptions (Bass & Avolio, 1994). Transformational leaders also encourage imagination and new ideas by encouraging their followers to stay in tune with their professional networks to cultivate their entrepreneurial capabilities (Moriano, Molero, Topa, & Lévy Mangin, 2014). Sattayaraksa and Boon-itt (2018) examined how chief executive officers' (CEOs') transformational leadership behaviors affected product innovation and performance in manufacturing firms and found that transformational leadership fostered organizational learning and an innovation culture linked to product innovation and performance. In a study conducted to ascertain the existence of mediating relationships between transformational leadership and organizational performance, Para-Gonzalez et al. (2018) found that transformational leadership styles improved organizational performance by enabling organizational learning and innovation culture.

### **Individualized Consideration**

Transformational leadership augments the morale, motivation, and performance of followers through mentoring and inspiration by aligning tasks with strengths and by fostering a sense of pride for their work by relating followers' sense of identity and self to the collective organizational identity and mission (Barling, 2014; Bass & Riggio, 2006). Leaders with an individualized consideration appreciate individuality; identify the differing aspirations, needs, and abilities; aid in the development of their strengths; and overcome their challenges. In a study on the effect of passive management, controlling management, and transformational leadership on organizational transformation and innovativeness, Kazmi and Naaranoja (2015) reported that transformational leadership styles alleviated the stress of change and engendered collaboration for innovation. Kazmi and Naaranoja contended that managers who possess the skills and attributes akin to transformational leadership built trust with their followers and were respected by and perceived as caring for the followers; hence, the followers were willing to contribute to and to achieve collective goals.

### **Inspirational Motivation**

According to the transformational leadership construct of inspirational motivation, leaders arouse motivation by defining and articulating purposeful visions and goals and by communicating optimistically about achieving these visions and goals (Tajasom, Hung, Nikbin, & Hyun, 2015). DessandPicken (2000) posited that inspirational leaders perceive their roles as

(a) using strategic vision to motivate and inspire, (b) empowering all employees, (c)

accumulating and sharing internal knowledge, (d) gathering and integrating external information, and (e) enabling creativity by challenging the status quo. Leaders who use inspirational motivation present the big picture of the future and create excitement about it, thereby fostering team spirit and enthusiasm. Caillier (2016) found that transformational leadership and mission valence, which links the organizational mission to the values and characteristics of employees, increased and strengthened employee commitment to organizational performance and success. Avolio, Waldman, and Yammarino (1991) contended that, due to the clarity and meaningfulness of the vision and goals, inspirational motivation spurs exceptional effort and performance and leads to followers who can address organizational challenges independently. Salas-Vallina and Fernandez (2017) found that inspirational motivation and transformational leadership contribute to employee happiness, thereby engendering commitment to achieving organizational goals. Indrawati (2014) conducted a single case study and explored the leadership style of a CEO in Indonesia and its influence on the CEO's subordinates to develop their leadership capacity and achieve extraordinary outcomes for the organization. The data for the interview came from responses to in-depth semistructured interviews. The findings indicated that the CEO used inspirational motivation more than any other leadership style to stimulate enthusiasm among subordinates. Indrawati also reported that the CEO encouraged subordinates to use their intelligence to find solutions and new ways of solving problems, which increased their self-confidence and consequently led subordinates to achieve exceptional outcomes. This study corroborated Avolio et al.'s (1991) claim that leaders can use inspirational motivation to garner

commitment to achieve organizational goals and to increase follower motivation and commitment (Salas-Vallina & Fernandez, 2017).

### **Idealized Influence**

Through the construct of idealized influence, transformational leaders reinforce organizational vision and goals for followers by modeling acceptable behavior (Bass & Riggio, 2006). A transformational leader with idealized influence demonstrates confidence and expresses the need to trust followers, overcome challenges, and promote the collective purpose and goals over personal motivation. Employees perceive the leader as an embodiment of the organizational values and mission and as worthy of emulation. Northouse (2009) noted that leaders with this characteristic demonstrate high ethical and moral standards and inspire followers to achieve goals ethically. Boehm, Dwetmann, Bruch, and Shamir (2014) studied 150 leaders of organizations in Germany to determine if a relationship existed between CEOs' charisma and transformational leadership in creating a leadership climate in their organizations. Boehm et al. reported that CEOs' charisma and transformational leadership set the standards for acceptable leadership behavior within each organization studied, which created a sense of organizational identity and empowerment to spur and improve performance. Lauer and Wilkesmann (2017) reported that double-loop learning derived from idealized influence resulted in required transformational changes for student retention efforts in institutions of higher learning.

The problem in this study is that leaders of Ghanaian SMEs do not fully understand the contributions of transformational leadership. Hence, these leaders are

unable to leverage organizational talents for innovation. Bass's (1985) transformational leadership construct and proposition of achieving organizational goals through including idealized influence, inspirational motivation, intellectual stimulation, and individual consideration could culminate in positive outcomes in SMEs in Ghana, as evidenced by Barling (2014), Bass and Riggio (2006), Kazmi and Naaranoja (2015), Tajasom et al. (2015), Avolio et al. (1991), Vallina and Fernandez (2017), and Lauer and Wilkesmann (2017). The conceptual framework of transformational leadership was beneficial to understanding how the four constructs can contribute to innovation and growth among the leaders of Ghanaian SMEs. Specifically, the conceptual framework was beneficial if the leaders of these SMEs could spur new levels of direction and amenability to change by articulating inspiring visions for their organizations and becoming role models for the employees. Additional envisaged benefits of the transformational leadership in leveraging innovation and competitiveness among SMEs in Ghana could include leaders stimulating new and creative thinking among employees to contend with the challenges of their business environment and to ensuring growth and sustainability of their organizations.

### **SMEs**

SMEs comprise about 90% of business in most countries (International Labor Organization, 2015). Such enterprises are founded by entrepreneurs who identify a need in the product or service industry and who configure services and products with specialized features and a market differentiation strategy to fill the gap in the market (Alsete, 2014). The structure of SMEs, devoid of numerous levels of hierarchy, empowers the leaders' decision-making capabilities and affords flexibility to respond to market

changes (Knight & Leisch, 2015; Nordman & Tolstoy, 2014). Researchers have not been able to agree on a universal definition for these businesses based on country variations of what constitutes a small business, which includes size, revenue, or a combination of both (Etuk, Etuk, & Michael, 2014; Hassan & Mohamed, 2015). In the United States, Mexico, and Canada, SMEs are defined by standards set forth by the North American Industry Classification System Codes, and businesses must remain within defined limits of revenue or employees to receive classification as a small business. In the European Union, a business is classified as a small business when it has fewer than 50 employees and as a medium-sized business when it has between 50 and 250 employees; turnover rates and balance sheets are also considerations for categorization. In developing countries, including African countries, the bases for defining SMEs include revenue and employees, ranging from 1 to 100 (Muriithi, 2017).

Disparities in definition notwithstanding, leaders of SMEs continue to create strategies that resolve economic and social challenges, such as poverty alleviation, job creation, and income generation, to improve the quality of life within their regions of operation. The U.S. Census Bureau indicated that small businesses with less than 20 employees generated the bulk of new jobs. In Africa, SMEs are a source of employment and provide opportunities for people to achieve financial success and independence to transcend social and economic inequalities (Ayyagari, DemirgucKunt, & Maksimovic, 2014). SMEs account for approximately two-thirds of all jobs worldwide (Ayyagari et al., 2014; De Wit&De Kok, 2014) and contribute about 60 to 70% to global GDP (International Labor Organization, 2015).

Globalization and attending factors of changing consumer needs and demands necessitate innovation for survival. Small and medium-size organizations are agile innovators and provide technical leadership critical for economies. The absence of entrenched bureaucratic hierarchies in SMEs allows for flexibility and effective communication so leaders can respond quickly to changing and disruptive economic and market circumstances (Nordman & Tolstoy, 2014) through producing new products, service, and technologies and can promote competition and competitive use of resources among industry players. The contributions of SMEs to progressive, modern, and vibrant economies are critical for national growth, yet are also vulnerable due to external constraints and internal inefficiencies. It is imperative to understand the functions of SMEs and to address the issues that constrict their performance and growth.

### **SMEs in Ghana**

The history of SMEs in Ghana began following independence in 1957, with plans of national development and economic prosperity. Leaders in successive governments have implemented policies to improve industry, income, and employment in Ghana (Arthur, 2007), acknowledging the fundamental role of the state to provide support for businesses to grow and creating the policy conditions necessary to attract investors (Smith, 2015). Government legislative instruments set up the Ghana Enterprise Development Commission and the National Board of Small-Scale Industries to aid in the creation of enabling environments for development, to facilitate access to credit, and to provide access to resources to aid the growth of SMEs.

In Ghana, the operational definition of an SME is an enterprise that employs between six and 29 employees and has valued fixed assets, excluding land and buildings, not exceeding \$100,000 (National Board of Small-Scale Industries, 1990). Individuals or families usually own SMEs and are responsible for the operational and financial obligations of the business. SMEs are part of the private sector in Ghana and fit into one of two categories: organized or unorganized enterprises. Organized enterprises have registered offices and paid employees, and unorganized enterprises consist of artisans working in transit or at home and having no salaried employees (Abor & Quartey, 2010). SMEs span the service, manufacturing, and agricultural industries in Ghana.

SMEs are the engines of growth to national economies. They constitute 85% of business enterprises in the private sector (International Trade Center, 2016) and account for 70% of employment and income in the country (Kusi et al., 2015). These companies employ low-skill workers, women, and youth and contribute toward alleviating problems of employment, wealth inequality, and poverty in all regions of Ghana. They also contribute to the GDP from the tax revenues paid to the government (Nyarku & Oduro, 2015) and augment government initiatives with innovation through the adaptation of appropriate technologies to address social problems such as waste management techniques, water filtration systems, and classroom furniture for schools in rural areas. The distribution of SMEs across Ghana also ensures the fair distribution of income and employment opportunities within the different regions.

## **SME Challenges in Ghana**

**External competition and globalization.** Despite their importance to economic growth in Ghana, leaders of SMEs encounter significant barriers to growth and profitability. These challenges include leadership challenges, lack of affordable finance, lack of international exposure, infrastructure problems, and limited international marketing experience (Mensah, 2012), which limit their contributions to and participation in the global market. Leaders of Ghanaian SMEs contend with external competition attributed to globalization and trade liberalization, owing to foreign goods flooding the country, and with challenges to operate with higher standards of efficiency, quality, and productivity that expose them to more vulnerabilities due to outdated technology (Ocloo, Akaba, & Worwui-Brown, 2014). The government's goal for trade liberalization was to promote prosperity and growth for SMEs, but trade liberalization also exposed SMEs to greater external competition. Nyarku and Oduro (2015) reported that testing and approving products for markets is a hierarchically entrenched, costly, and time-consuming process, and the legalities and costs of obtaining export and import clearances do not translate into benefits for SMEs. In general, SMEs in Ghana have not benefited from trade liberalization as intended by the government.

**Lack of innovation.** Due to the fear of uncertainty and constricted budgets for research and development, the leaders of most SMEs are unable to take risks and innovate in response to changing market demands and to increase growth and sustainability. Leaders of SMEs in Ghana are slow to adopt new technologies due to the lack of information, finances, and technological savvy (Quaye, Abrokwah, Sarbah,

&Osei, 2014). The leaders who are the financiers of an organization tend to be cautious with innovation to minimize the risks associated with failed attempts at innovation. The leaders therefore rely on old patterns of business to the detriment of the business, and, as noted, the lack of innovation is one of the reasons SMEs in Ghana do not survive past 5 years after inception.

**Financial constraints.** Despite building a competitive private sector and improving employment growth significantly, leaders of SMEs face numerous challenges in accessing financial resources. In Ghana, leaders of SMEs face constraints, such as high interest rates, gaps in the financial system, high collateral requirements, and lack of experience with financial intermediaries, which impede the growth and survival of their organizations. Quaye et al. (2014) indicated that about 98% of SMEs lack access to formal financing. Financial institutions remain skeptical about extending credit to businesses considered at high risk due to their small portfolios and high transaction costs. Financial institutions often require high collateral from SMEs to cover future defaults, while requiring cumbersome application processes and charging prohibitive interest rates that diminish SME gains. The financial constraints limit the capacities of SME leaders to create jobs, acquire new technologies, innovate, expand, and compete globally (Quaye et al., 2014).

Additionally, poor internal financial management and cash flow management constitute issues for SME leaders. Due to a lack of access to formal financial resources, leaders finance their organizations through personal savings, friends, or credit cards (Khan, 2015). Leaders of SMEs are unable to negotiate longer repayment terms or interest

charges. There is also a lack of financial expertise to determine how much cash flows in and out of the businesses and to determine the appropriate amounts of capital to raise and ways to support their growth plans.

**Government regulation.** Government regulations and policies exist to protect businesses and to raise income for the government, and they can either positively or negatively affect businesses. Despite the prevalence of SMEs in Ghana, Nyarku and Oduro (2015) reported that government regulations and infrastructure have disproportionate impacts on SMEs in Ghana. Beyond the central government regulations and requirements, leaders of SMEs must comply with municipal and city requirements for starting a business and pay license fees, taxes, and other levies that exert operational costs on SMEs (Bouazza, Ardjouman,&Abada, 2015), thus hindering their growth. Additionally, government officials can make the process more cumbersome and costly by requesting bribes before issuing permits and licenses (Nyarku& Oduro, 2015). To corroborate Nyarku and Oduro's (2015) findings of the adverse impact of government regulation, Ghana ranked 114th out of 189 countries for quality of regulations, efficiency for small business, cost of doing business, and taxation (World Bank, 2016).

**Leadership challenges.** Leadership accounts for organizational innovation and performance (Yıldız et al., 2014). Leaders set the tone for employees to either challenge the status quo for creativity or follow the path of dependency. Leaders exhibit personal integrity, emotional intelligence, big picture mentality, a clear vision, and caring for others (Nyukorong & Quisenberry, 2016) in the hopes that followers will emulate and align their subjective goals to communal or organizational goals.

Leaders of SMEs in Ghana do not have a system in place to lead and promote effective behaviors, attitudes, and attributes to leverage the innovative capacity of their organizations to compete effectively and contribute optimally to the local and global economy (Ebodaghe & Shobayo, 2017; Forkuoh et al., 2012; Oladimeji et al., 2015). Leadership practices such as cronyism, discrimination, patronage, and deferment to authority figures in Ghanaian organizations and SMEs (Danquah et al., 2015; Forkuoh et al., 2012) present challenges to the creation of enabling environments for innovation to drive competition, as employees are powerless in contributing to organizational growth based on their experience and expertise (Forkuoh et al., 2012). Vuori and Huy (2015) reported that the inability of leadership to encourage an empowering organizational climate where followers can challenge the status quo and propose new solutions to problems contributes to organizational leaders' inability to leverage talents for innovation and leads to failure.

Another leadership challenge for competitive advantage among SMEs is the lack of knowledge of international markets. A lack of knowledge of global and competitive markets results in an inability to assess and analyze information and the resources required to compete (Swoboda, Elsner, & Olejnik, 2015). Further, a lack of knowledge of the markets can result in a lack of understanding of customer demands and ineffective relationships with suppliers and customers, which weakens their competitive position (Swoboda et al., 2015).

### **Leadership Style, Competencies, and Organizational Performance**

Leadership is pivotal for building progressive, responsive, and resilient organizations (Northouse, 2015). Leaders are responsible for establishing the goals and direction of their organization, for articulating clear and unified visions and purposes, and for encouraging others to transcend individual pursuits for organizational growth (Choi, Goh, Adam, & Tan, 2016). Leaders attain organizational goals by influencing the behaviors of others and effectively communicating and modeling appropriate behaviors (Mastrangelo, Eddy, & Lorenzet, 2014). Researchers of leadership in varied disciplines, including psychology, sociology, political science, economics, education, and management, have indicated that employee motivation, commitment to organizational goals and visions, and performance have a connection with leadership behavior and style (Bass, 1985; Podsakoff, MacKenzie, Moorman, & Fetter, 1990; Spano-Szekely, 2016; Yahaya & Ebrahim, 2016). Northouse (2015) and Yahaya and Ebrahim (2016) perceived the success or failure of an organization to be an antecedent of leadership behavior and style.

Shin et al. (2017) identified leaders as individuals who do not perceive their role in an organization as a power broker or a controller of resources but as an adaptive resource willing to assume varied roles (teacher, decision maker, coach, facilitator, or supporter), depending on the needs of employees to be successful in their roles. A leader is an individual who understands the needs of the employees; facilitates and supports an environment of shared learning, intelligent risk taking, and initiative; and fosters a sense of ownership within an organization. Leaders' behavior and decision making are

derivatives of their personal values, of whether they perceive their roles as competitive or cooperative, of their involvement in operational activities, and of their willingness to afford their followers freedoms and responsibilities in performing their tasks (Akhtar, Humphreys, & Furnham, 2015). Leadership style influences followers' attitudinal and behavioral work outcomes, such as work performance, innovation, job satisfaction, and commitment to the organization (Alkahtani, 2016; Chandra & Priyono, 2016; Haghghi, 2016; Le & Lei, 2017). Different organizations require different leadership styles. Aligning organizational needs to leadership style and behavior is essential for business success and employee outcomes.

### **Transactional Leadership Style**

The transactional leader focuses on assignments and attaining performance objectives and expects compliance from followers. Transactional leaders are pragmatic in their thinking, consider all opportunities and constraints, and motivate followers extrinsically and contractually, contingent on performance (McCleskey, 2014). Leadership based on contingent rewards sets clear expectations and defined processes of attaining results and increases employee motivation and personal satisfaction with the expectation of attaining rewards upon meeting set goals (Avolio, 1999). Bass and Bass (2009) indicated that transactional leaders create exchange relationships with followers to attain their self-interests. Another method of management used by transactional leaders is active management by exception, which is similar to micromanagement. The focus of this management technique is the failures, mistakes, and inactions of followers and correcting

them, sometimes punitively, to prevent future occurrences (Bass & Riggio, 2006) and to achieve high standards and optimal performance.

Transactional leadership style has received criticism for appealing to the individualistic interests of employees, with less emphasis on group goals, and for the lack of commitment to the emotional needs of employees, rigidity, lack of innovation, and lack of creativity. However, Hamstra, Van Yperen, Wisse, and Sassenberg (2014) found that the transactional leadership style is effective in highly competitive organizations where a need exists for employees to outperform each other for rewards. Quintana, Park, and Cabrera (2015) also noted that transactional leadership characteristics of setting clear expectations and contingent rewards might be necessary to attract customers and differentiate services by requiring followers to adhere to established, clear goals and measures of attaining these and appropriately rewarding followers who comply with and attain these objectives. Martínez-Córcoles and Stephanou (2017) also reported that transactional leadership is effective in promoting compliance to safety behaviors through a safety climate among military personnel surveyed, due to the supervisors' control over the subordinates and the ensuing consequences of noncompliance. Transactional leadership is effective in highly bureaucratic and hierarchical organizations such as the military, where noncompliance to established processes and procedures could result in adverse consequences (Martínez-Córcoles & Stephanou, 2017).

### **Transformational Leadership Style**

Transformational leadership style affords employees and followers latitude for creativity and alternative thinking that results in new solutions for problems (Bass,

1985). Transformational leaders are disruptive innovators, are optimistic about the future, exercise authentic leadership, and collaborate with others to achieve organizational goals. Transformational leaders articulate clear visions, are optimistic about the future, and model acceptable behavior that followers aspire to emulate. One of the assumptions within this leadership style is that leaders can inspire and motivate followers to transcend self-interests and pursuits for collective and organizational interests (Bass, 1985).

Transformational leaders have an interest in the aspiration and growth of followers. Transformational leaders coach, mentor, and assign tasks according to the capabilities of their employees and increase the task responsibilities as the employees grow within their roles. These additional responsibilities are tailored to inspire confidence and help the employees attain their aspirations. The transformational leadership style fosters employee independence, responsibility, and ownership; a commitment to organizational goals; and a culture that supports innovation to grow and contribute to the future success of the organization (Boer, Deinert, Homan, & Voelpel, 2016; Li, Castaño, & Li, 2018). Mittal (2016) reported that transformational leaders build trust and commitment toward achieving desired organizational outcomes and reducing employee turnover intention. Eberly, Bluhm, Guarana, Avolio, and Hannah (2017) found a correlation between employee engagement and transformational leadership in the U.S. Army, even within extreme conditions. Boer et al. (2016) posited that transformational leaders are able to leverage complex human relationships and human capital to achieve organizational goals. Boer et al. also explained that transformational leaders are able to leverage human capital due to their understanding of the adverse costs of stagnation, path

dependency, and the threat of possible obsolescence in a complex global world. Trivellas and Reklitis (2014) recommended transformational leadership derive opportunities from business complexities to create dynamic organizations.

### **Servant Leadership Style**

Servant leaders lead from the perspective that the ultimate goal of leaders is to serve the needs of others, which is contrary to the notion of exerting dominance (Greenleaf, 1977). The motivations of servant leaders are egalitarianism; developing the talents of followers; and contributing toward their growth through persuasion, foresight, listening and understanding, acceptance and empathy, conceptualizing awareness and perception, community, and stewardship (Greenleaf, 1977). The servant leadership style involves sharing responsibilities and authority with subordinates who contribute to shaping the values and visions of the organization, assume leadership roles that lead to development of other team members, and foster a culture of servant leadership within the organization, where followers emulate their leader, which leads to employee empowerment and improved performance.

Servant leaders benefit from higher leader–member exchange and reciprocity in the form of citizenship behavior, positive performance outcomes, and commitment to organizational values from their followers (Liden, 2008). In a study of 154 team members in Asia, Yoshida, Sendjaya, Hirst, and Cooper (2014) found that servant leadership promoted followers' relational identification with a servant leader, which fostered creativity and employee innovation in organizations with highly empowering and innovative climates. Choudhary, Akhtar, and Zaheer (2013), Hunter et al. (2013), and

Liden, Wayne, Liao, and Meuser (2014) confirmed the relationship between servant leadership and positive organizational outcomes such as follower creativity, organizational learning, citizenship behavior, engagement, commitment, and fostering helping and service climates. Practically, TD Industries, which practices servant leadership, was ranked 44th on the list of the best places to work in the United States (*Fortune*, 2017). The organization has a 360-degree evaluation system where subordinates and leaders evaluate each other and offer suggestions for improvement to maintain employee focus and growth.

Servant leadership generates positive organizational outcomes such as engagement, commitment, and altruism (Choudhary et al., 2013; Liden et al., 2014) and is most effective in organizations such as churches, schools, and government (Kim, Kim, & Choi, 2014). However, this leadership style has received criticism regarding the difficulty of implementation (Kim et al., 2014), especially in turbulent, competitive markets where leaders must make decisions quickly to address constantly and rapidly changing needs. The servant leadership style also falls short when compared to the transformational leadership style for driving the vision; balancing organizational and individual goals, risk-taking, intellectualism, and innovation; and challenging the status quo (Allen et al., 2016).

### **Laissez-Faire Leadership Style**

The primary characteristic of the laissez-faire leadership style is delegation to followers to make all operational decisions, and the leadership style is known as zero or avoidance leadership (Avolio & Bass, 2004). Leaders who use this leadership style avoid

addressing followers' needs for development or well-being (Krasikova, Green, & LeBreton, 2013), almost to the detriment of the followers. Followers generally perceive laissez-faire leadership as an ineffective style of leadership compared to transformational, transactional, and servant leadership styles. Kelloway, Sivanathan, Francis, and Barling (2005) posited that laissez-faire leadership results in workplace stress, including role ambiguity for followers. Conversely, Wong, and Giessner (2018) noted that there might be incongruences with follower expectations and their perceptions of the laissez-faire leadership style. Wong and Giessner explained that the disparities in expectations of empowerment between leaders and followers, especially when subordinates' experience of a situational need for leadership may trigger a negative interpretation of leader behaviors, result in a negative evaluation of leader effectiveness.

### **Leadership Competencies**

Globalization and the integration of economies have altered the order of conducting business, as business environments have become increasingly competitive, complex, and unpredictable. Technological advancements have increased access to new markets and customers; streamlined and increased efficiencies in business operations, with fast, easy, and secured domestic and international transactions; and transformed exchanges between businesses and customers. These new opportunities and complexities precipitate transformations in leadership behavior and competencies (Trivellas & Reklitis, 2014) to enhance learning, decision making, problem solving, and the creation of a dynamic organization.

**Behavioral and cognitive competencies.** Requisite leadership competencies have burgeoned due to complex interactions in the global environment. In a study of 78 participants from five manufacturing companies in the Midwestern United States, including 15 females and 28 males at the supervisory level, 14 female managers, and 21 male managers, Tomal and Jones (2015) ranked mentoring, motivating, accountability, decision making, and negotiation as important competencies to improve organizational performance. Bird and Mendenhall (2015) identified multifaceted leader competencies in the global environment, including cognitive capabilities to recognize change and complexity trends in the business environment, motivational inclinations, knowledge, and expertise about their field, behavioral skills to include boundary spanning, attitudinal orientations, and personality dispositions of optimism and inquisitiveness. In a survey of 3,498 actively licensed registered nurses and advanced registered nurse practitioners in Florida conducted to determine important leadership competencies required for the industry, Denker, Sherman, Hutton-Woodland, Brunell, and Medina (2015) reported that respondents ranked experience, knowledge of the field, and communication as the top three competencies needed to promote future growth in the healthcare industry. Leadership competencies engender improved job outcomes when they align with business requirements and are communicated appropriately to stakeholders.

**Communication skills.** Communication, which is the exchange and flow of information and ideas among individuals, is important within organizations to promote the vision, purpose, and commitment (Bell & Martin, 2014). As drivers of a business decision, innovation, employee performance, and innovation (Tung & Yu,

2016), communication competencies for leaders in the global environment are invaluable to global competition for organizing, identifying, and improving internal capacity, unity of purpose, and vision and strategy. Effective communication is necessary for leaders, as it affects their ability to lead, fosters group cohesiveness, and promotes positive work outcomes (Bell & Martin, 2014).

Eisenberg, Johnson, and Pieterse (2015) noted that communication is key to implementing successful change management by creating visible lines of sight through informal channels of communication and by developing feedback loops to estimate the extent to which the change message has permeated the organization. Developing these channels helps leaders to identify informal networks of people critical to an organization's information flow and to deploy them strategically to promote organizational cohesion and effectiveness (Eisenberg et al., 2015). Also of importance within organizations is effective communication among colleagues, which facilitates the dissemination and retrieval of timely and efficient information, coordination, and job task completion to minimize conflict (Mikkelsen, York, & Arritola, 2015). Lawrence (2015) posited that organizational leaders must intentionally cultivate and develop a global communication strategy to align objectives, reinforce their commitment to purpose and customers to remain viable, gain a competitive advantage in the global economy, and provide feedback. Men and Stacks (2014) confirmed the effect of leadership's influences on internal public relations and symmetrical and transparent communication and relationships and reported that authentic leadership was responsible for nurturing open

and honest communications that engender organizational identity and commitment among members of an organization.

Being adept at communications is important for crafting and articulating a vision, goals, and expected outcomes. Naz and Gul (2014) investigated the relationship between communication satisfaction and turnover intention among 120 nurses in Pakistan and found that communication satisfaction with coworkers, supervisors, and upper management mitigated nurses' turnover intention. Similarly, Mikkelsen et al. (2015) found that appropriate and effective communication was positively related to employee motivation, job satisfaction, and organizational commitment among 247 participants from various industries within the United States. It is important for leaders to develop effective communication skills to articulate clear goals to achieve the desired organizational outcomes and employee outcomes (Naz & Gul, 2014). Leaders must nurture and encourage transparent and symmetrical information flow (Men & Stacks, 2014), understand the informal networks of communication used to disseminate information and change in the organization, and use these networks to promote organizational effectiveness strategically (Eisenberg et al., 2015).

**Emotional intelligence.** Emotional intelligence is a set of constructs and competencies deployed to recognize, understand, and adjust the dynamics of human emotions to enhance knowledge and performance (Salovey & Mayer, 1990). Leaders' emotional intelligence, including competencies such as inspirational leadership, influence, conflict, management, and teamwork (Goleman & Boyatzis, 2017), are necessary within an organization to build confidence and to make rational decisions

necessary to leverage followers' emotions and channel them into productive energy to grow the organization and to create and ensure safe working environments. According to Goleman and Boyatzis (2017), emotionally intelligent leaders exhibit competencies such as self-awareness, self-regulation, intrinsic motivation, empathy, and social skills nested in the domains of self-awareness, self-management, social awareness, and relationship management. These competencies are comparable to personal mastery, mental models, and team learning espoused by Senge (2004) to build functional, progressive, and innovative teams. SMEs require engaged leaders and teams adept at responding appropriately with new insights to the internal and external challenges that they face. Emotionally intelligent leaders engender organizational engagement and commitment, with team members contributing their skills and efficiencies to improve organizational performance (Khalid, Khaleel, Ali, & Islam, 2018) and to reduce absenteeism and employee turnover.

Emotionally intelligent leaders and teams can collaborate and achieve goals by negotiating and establishing regulation within the levels of interaction and norms for emotional awareness that engenders the trust, group identity, and group competence required to perform optimally. Castillo and Del Valle (2017) surveyed 397 participants in a study about the relationship between emotional intelligence and job performance in a low-skill back-office service company. Castillo and Del Valle found that employees with high emotional intelligence performed better at their jobs and attributed the improved employee performance to their abilities to manage their emotions and the emotions of

others effectively and used interpersonal skills to adapt to alternative perspectives to achieve organizational goals.

Competencies needed to lead an organization in a global economy are cognitive, behavioral, and attitudinal (Denker et al., 2015; Tomal & Jones, 2015). Leadership competencies in these areas aid in identifying and understanding patterns of change in the global environment and help leaders to make informed decisions about risks and opportunities concerning the organizational vision and goals (Bird & Mendenhall, 2015). Leadership competencies are necessary for organizational and collective survival in the global economy.

**Team-buildings kills.** Team-building skills are imperative for leadership, especially in constantly changing and dynamic conditions (Billas & Masadeh, 2018). Team building is an iterative process that involves finding the right group of people, communicating and executing organizational vision and mission, building trusting relationships (Feldman, 2018), and coaching team members to execute flawlessly, consistently perform, and attain goals. Feldman (2018) posited that the process of effective team building is akin to building social capital, which begins with identifying members, establishing norms, determining appropriate team behavior, and rewarding accordingly.

Burke and Barron (2014) identified six stages of the group development process of which leaders should be aware. The process includes the forming stage when members come together and get to know each other and their fit within the group. The second stage includes storming, which involves members sharing their thoughts on the direction of the

group, and the third stage, norming, is when they recognize, accept, and respect the individuality of each member and each member's unique contributions to the group, as well as the establishment of group norms and values. The next stage is collaborating and performing, followed by the maturity stage, where the group has resolved to maintain the status quo, and finally the declining phase, where performance declines and the group is unable to innovate and compete effectively.

Knowledge of the stages of group development guides leaders on what their next plan of action is to maintain a high-performing team. Feldman (2018) noted that leaders might need to mentor team members to achieve optimal performance or provide them with formal development opportunities to improve. Billas and Masadeh (2018) recommended coaching to regain group focus, cohesion, and optimal performance.

According to Grynchenko, Ponomaryov, and Lobach (2018), leadership capabilities and behavioral competencies are responsible for creating the climate, values, and optimal performance of teams. Shirey, White-Williams, and Hites (2019) posited that, to build high-performing teams, leaders must exhibit self-awareness and self-regulation to align their values with their behaviors, to objectively examine facts and make decisions, and to exhibit relational transparency to build trust and collegiality within the group. Developing and sustaining a high-performing team depends on the behavioral and leadership capabilities of the leader and their understanding of these capabilities and, when necessary, improving them by acquiring new ways of thinking (Feldman, 2018).

## **Transformational Leadership for Global Business**

Leaders of small and large businesses aim to attain a competitive advantage by maximizing resources to produce desired goods and services to outperform other competitors in the global market. The transformations required to achieve this end are transforming mind-sets, developing a comprehensive understanding, challenging existing operational frameworks, and considering multiple complex realities to realign organizational goals to the complex realities of globalization. Indrawati (2014) found that a CEO in Indonesia was able to influence and develop followers' leadership capabilities and extraordinary performance through inspirational leadership, which is a tenet of transformational leadership. Indrawati reported that the CEO encouraged and empowered subordinates to use their intelligence to solve problems rather than deferring to leadership. Though the results showed positive outcomes in organizational creativity and performance, the study was limited by sample size. However, the gains corroborate similar findings by Choi, Kim, Ullah, and Kang (2016) that transformational leaders inspire innovative behaviors in their organizations.

Choi, et al. (2016) proposed that leaders need to evolve and develop by increasing follower growth through lateral relationships to attain organizational goals. Transformational leadership contributes to the innovation capability of organizations as a competitive advantage through intellectual stimulation and by challenging followers to think and perform differently (Choi, et al., 2016). Choi, et al. (2016) reported a positive relationship between transformational leadership and employee innovative behavior and

knowledge sharing when the transformational leader provided a safe environment of trust for employees to think and share ideas.

To achieve a global competitive advantage, leaders need to apply systems thinking approach to organizational processes and operations. Systems thinking helps leaders understand and manage the complexities of ambiguity, assumptions, and mental models (Senge, 2004), and they can help their organizations adapt and survive within a rapidly changing environment. The systems thinking approach involves evaluating an organization as an open system that receives and exudes energy and relates dynamically to the environment but affected by the interrelationship and connectivity of each part. Transformational leaders are usually comfortable, flexible, and effective at coping with change because they understand the fluidity of the business requirements and are not afraid to take risks (Kim, Akbar, Tzokas, & Al-Dajani, 2018). Transformational leaders help their employees and followers develop systems and tools to understand the interrelationships and patterns within the environment and create effective strategies by challenging boundaries and mental models that undermine innovation and growth.

Transformational leadership contributes to a global advantage by cultivating diversity and arousing the creativity of individuals within an organization through intellectual stimulation, encouraging learning and identifying complex patterns in the relations inherent in global markets, and responding dynamically to the complexities (Senge, 2004). The multidimensional approach to creativity ensures that all parties are contributing and sharing knowledge and have a role in the performance and growth of the organization (Sheshi & Kërçini, 2017). Transformational leaders create positive and

competitive work environments by appealing to the collective consciousness of their followers through a purposeful and clear vision, by outlining the path for attaining these goals, and by encouraging consistent and sustained behavioral changes within their workforce.

Attia and Eldin (2018), Senge (2004), and Sheshi and Kërçini (2017) indicated that to gain competitive advantage and be sustainable, SME leaders will have to recognize the inability of traditional leadership models to support SMEs in competitive markets. Leaders of SMEs in Ghana will consequently have to consider cultivating transformational leadership capabilities to guide their organizations through an unfamiliar and constantly changing environment. Ghanaian SME leaders will also have to encourage organizational learning to harness new information to improve performance.

**Transformational leadership and organizational learning.** The constant and rapid pace of change requires leaders and employees of organizations, including SMEs, to learn, unlearn, and relearn to survive (Attia & Eldin, 2018). Unlike the industrial area where learning is prescriptive, based on cause and effect, the demands of the knowledge age and agile environment require continuous transformation driven by dynamic multidimensional approaches and knowledge sharing to initiate the innovation SMEs require to survive. Easterby-Smith, Snell, and Gherardi (1998) posited that organizational learning is essential due to the speed of globalization, increases in business competition, and advancements in technological change. Organizational learning, which refers to the development and improvement of organizational practices through new knowledge and improved understanding (Edmondson, 2002), enables organizational leaders and their

employees to respond expeditiously to new market opportunities and challenges by challenging organizational assumptions about operations and customers, fostering innovation environments, and promoting optimal performance and sustainable competitive advantage in organizations, especially in SMEs.

Organizational learning entails developing tangible activities such as infrastructural innovation, new management tools, and methods that improve the nature of work, as well as opportunities for people to participate in and attain the capacity for enduring change (Senge, 2004). Watkins and Marsick (1996) identified seven characters of learning organizations: (a) inquiry and dialogue, (b) continuous learning opportunities, (c) systems to capture and share learning, (d) collaboration and team learning, (e) connectivity to the business environment, (f) strategic leadership to encourage learning, and (g) a shared vision. These characteristics ensure organizations learn quickly and become adept and agile in responding to challenges.

For learning to be effective in an organization, Senge (2004) espoused that there must be a shared vision within the organization to provide purpose, focus, energy, commitment, and a systems thinking perspective, where each member of the organization understands the interconnectivity and patterns of the network of relationships and how they affect each other. Leaders and followers must adopt holistic resolutions to problems and challenge mental models by challenging biases and assumptions. Promoting team learning through sharing ideas and perspectives and being guided by the premise that no one person is an embodiment of knowledge and cooperation are key to attaining

organizational goals and personal mastery, where each is proactive in finding solutions rather than reactionary.

Learning organizations nurture an environment that empowers and engages the cross-functional and dynamic flow of information and intelligence and challenges the status quo that leads to stagnation in organizations (Senge, 2004). Leaders in learning organizations recognize the fluidity of knowledge, adapting it based on varied perspectives to augment the efforts of the organization. Organizational learning involves launching new products by connecting organizational resources with current technology to respond to consumer demands or achieving increased performance and competitive advantage based on understanding the environment and prior successes and failures (Bolaji & Adeoye, 2018).

Organizational learning is precipitated by, and reinforces, leadership behavior. Leadership is crucial for organizational learning and for businesses to innovate, perform effectively, and be competitive (Vargas, 2014). Within the context of globalization, instability and fierce competition significantly affect SMEs and require transformational leaders to lead the learning process in an organization to attain increased performance, innovation, and competitiveness. Transformational leaders are necessary to lead the innovative process because transformational leaders understand the external environment and are capable of developing teams and espousing a compelling vision and direction. Transformational leaders can effectively interact with followers to encourage cooperative participation in the decision-making process and can seek alternative solutions to ensuing challenges. Furthermore, transformational leaders possess the courage to encourage risk-

taking and experimentation and provide needed support for organizational learning to be effective (Bass, 1999).

Senge (2004) noted that transformational leaders are effective in learning organizations because of their capabilities to motivate others to strive beyond self, articulate a compelling vision, and encourage systems thinking for creativity. Transformational leaders also motivate through inspiration and intellectual stimulation, pay attention to individual differences, and help followers to grow, therefore garnering the cooperation required to accelerate performance and attain organizational goals. Park and Kim (2018) indicated that transformational leaders enhance the knowledge-sharing climate and behavior of employees and interpersonal trust, and the organizational learning process possesses the qualities required to enlighten teams and to channel resources toward propelling organizations, especially small businesses, to compete and survive effectively. Organizational learning propels small business competitiveness because transformational leaders understand the importance of double-loop learning, which helps them to incorporate survival learning and generative learning to adapt quickly and respond to the changing demands of the business environment (Senge, 2004). Altinay, Madanoglu, De Vita, Arasli, and Ekinici (2016) surveyed 350 SMEs operating in the services and retailing sectors of North Cyprus on the effect of leaders' commitment to organizational learning. The results from the survey revealed that leaders' commitment to organizational learning improved knowledge sharing and fostered a systems approach to achieving organizational goals. Altinay et al. also reported that leadership support for learning and encouragement of experimentation create

opportunities for employees to innovate and to improve their performance and competitive capabilities.

The concept of organizational learning fostered by a transformational leader could be beneficial to SMEs in Ghana to increase employees' ability to learn new methods of responding adeptly to the persistent changes in their environment. Organizational learning will be beneficial to leaders of SMEs in Ghana because new knowledge is a driver of innovation and competitive advantage in the ever-changing global economy, and SME leaders and employees need to learn faster than their competitors. Organizational learning expedites the change process through engaged employees ready to explore new and expansive ways of thinking to transform creative concepts into profitable ventures for an organization (Senge, 2004). In a case study of four manufacturing SMEs needing to collaborate on an innovation project, Thomas et al. (2017) found that the teams' innovative capabilities increased after each collaborative and participative decision-making process. Thomas et al. also reported that frequent and effective information sharing and communication, which are part of the organizational learning process, increased confidence and trust among team members, who were subsequently more willing to experiment and take risks that culminated in more innovative designs.

As mentioned earlier, lack of innovation is a contributory factor to failure, primarily due to the inability to adapt; the lack of understanding the dynamics of competitive markets; and insufficient access to information, finances, and technological savvy (Quaye et al., 2014). SMEs in Ghana could benefit from organizational learning

through the gains of knowledge sharing and through empowering environments for exploiting new opportunities, improving organizational processes, and inventing new products and services to ensure competitive capability, sustenance, and survival.

Transformational leaders can ensure organizational learning occurs within Ghanaian SMEs by empowering and encouraging creativity in a trusting environment, by mentoring, and by continuously encouraging followers to challenge their assumptions about processes and to seek and share new knowledge in their fields.

**Transformational leadership and innovation.** Leaders of organizations and SMEs face the need to improve or innovate consistently to satisfy emerging consumer demands. Leaders of SMEs encourage innovation to enable participation in the global market and to ensure their organization's success and longevity in a globally complex, demanding, and changing environment. Innovation refers to the improvements made to organizational products, processes, and procedures for optimizing talent, resources, and services (World Intellectual Property Association, 2012). Transformational leaders who create supportive environments for their employees to respond creatively to the changing needs of their business environments inspire innovative behaviors. Yang and Yang (2019) noted that organizational leaders need to adopt transformational leadership in markets with intense competition due to transformational leaders' understanding of the volatility of markets and the capability of turning these challenges into opportunities.

Feng, Huang, and Zhang (2016) examined the relationship between transformational leadership and innovative behavior in groups, proposing that the group-level construct of transformational leadership influences group innovative behavior. Feng

et al. collected data from surveys completed by 192 managers and 756 direct subordinates working in groups in 43 companies spanning the manufacturing, financing, information technology, and geological exploration industries in China. Feng et al. found that a positive relationship exists between transformational leadership and innovative group behavior and recommended that leaders adopt transformational leadership styles to motivate and generate innovative behavior even through times of radical change. Similarly, Mahmood, Uddin, and Fan (2019) surveyed 400 employees of SMEs in Bangladesh about the impact of transformational leadership on employees' creative process engagement. Mahmood et al. reported that transformational leadership significantly affected employees' creative process engagement, and the effects were significant when the tasks were highly complex and associated with leadership support. Transformational leaders transform organizational processes and strategies by incorporating the culture of flexibility, quality, delivery, and cost strategy (Birasnav, 2014).

**Transformational leadership contributions to employee outcomes.** Employee outcomes such as organizational commitment, job satisfaction, and performance are antecedents to competitive advantage as organizations continue to operate in competitive and global markets. Li et al.(2018) and Mittal (2016) found that engaged employees are willing to exert extra effort for an organization and are creative in designing new products, services, and processes that improve performance, gain new customers, maintain customer loyalty, and provide a competitive edge. Asekun (2015) reported that job satisfaction mediated by affective commitment mitigates employee turnover

intentions and employees' willingness to help achieve organizational goals. Boamah, Laschinger, Wong, and Clark (2017) reported that job satisfaction among nurses reduced adverse patient outcomes in hospital settings. Leadership behavior is a mediating factor for employee outcomes and improves performance. Breevart et al. (2014) compared the contributions of leadership behaviors to the work environment and employee daily work engagement among 61 naval cadets. The results of the study revealed that transformational leadership contributed to a favorable work environment, and cadets engaged more when leaders exhibited transformational leadership and provided a contingent reward. Breevart et al. further noted that management by exception created a less favorable work environment. Similarly, Castaño and Li (2018) found that both transactional and transformational leadership behaviors contribute to employee and organizational outcomes, although transformational leadership affected a greater outcome than other leadership styles due to the arousal of intrinsic motivations within followers. Caillier (2016) noted that leaders who do not practice transformational leadership devalue the mission of their organizations, which leads to turnover and disengagement.

According to Boer et al. (2016), transformational leaders can leverage complex human relations and human capital to achieve organizational goals because they comprehend the adverse costs of stagnation, path dependency, and possible obsolescence in a complex global world. Transformational leaders maintain a competitive advantage due to their adeptness at creating positive interpersonal relationships with their followers and their demonstrations of high moral and ethical standards, role modeling, coaching, visionary and inspiring behaviors, and individual consideration that engenders feelings of

trust and appreciation reciprocated in commitment and productivity (Boer et al., 2016). Transformational leadership fosters workplace relationships built on open communication, trust, and support, as well as on subsequent social and emotional reciprocity (Zagenczyk et al., 2015) between leaders and their followers to engage in their roles within the organization (Vidyarthi et al., 2014). High-quality relationships enable leaders to bestow privileges on followers in exchange for their performance and commitment to organizational behaviors and goals.

In a study on transformational leaders' ability to empower employees psychologically to increase their commitment level and reduce employee turnover intentions within a technological SME in India, Mittal (2016) reported that transformational leaders were able to build trust and commitment and reduce turnover to achieve desired organizational outcomes. Comparatively, Eberly et al. (2017) reported that a correlation exists between employee engagement and transformational leadership in the U.S. Army, even within extreme conditions. Gaining competitive advantage within Ghanaian SMEs will require that leaders exhibit transformational behaviors to attract skilled employees. Leaders of SMEs in Ghana must create a work climate based on emotional and social reciprocity to retain engaged and committed employees willing to provide their organization a competitive edge through their performance.

**Assuring and sustaining leadership gains to promote competitive advantage among SMEs in the future.** The need to create value and sustain capacity over time is increasingly important to organizations in turbulent environments to differentiate enterprise performance and sustain organizations' competitive edge for the future (Chew

& Dovey, 2014). Researchers have criticized leadership practices for contributing to the unsustainability of organizational change and competitiveness initiatives. Bendell, Sutherland, and Little (2017) contended that leadership characteristics and beliefs such as the erroneous notion that organizational purpose should benefit the employer solely, that leadership is solely responsible for organization change, and that leadership development is about learning rather than unlearning have contributed to unsustainability. Creating value and sustainability in organizations requires transformational learning that includes cultural and thought process shifts that alter existence (Burns, Vaught, & Bauman, 2015), as well as leadership that is reflexive, purposeful, and relational in directing, motivating, and guiding followers and organizations to create collaborative visions for building resilient organizations (Di Fabio & Peiró, 2018).

The essence of sustainability is to be forward thinking about changes in markets, skills, and industry fundamentals and to convert these changes and threats into opportunities by deploying the requisite assets, knowledge, resources, human capital, and relationships agilely (Sangari, & Razmi, 2015). An organization's adaptability quotient measured by alertness, responsiveness, innovativeness, adaptability, and resilience also determines the essence of sustainability. Leadership to ensure future sustainability is derived from transformational leadership and characterized by common purpose, relationships, inclusiveness, collaboration, and change based on values. The role of leadership in leading businesses to adapt to new and transformative business realities, such as the integration of artificial intelligence and human capital, is dependent on

leadership's willingness to learn and empower followers to do same (Szczepańska-Woszczyzna & Kurowska-Pysz, 2016).

These leadership behaviors and capabilities ensure optimal performance, continuous learning, and the ability to adapt to new thinking and ways of doing things (Feldman, 2014). Eastby-Smith et al. (1998) posited that it is essential for leaders to promote organizational learning to respond to the speed of globalization, increases in business competition, and advancements in technological change.

Jiang, Zhao, and Ni (n.d.) found that transformational leadership cultivates employees' organizational citizenship behavior and positively influences employees' sustainable performance. Transformational leaders achieve organizational goals through the intellectual stimulation of their followers, by encouraging them to seek alternative and creative solutions to problems, challenging the status quo, and questioning conventional beliefs and assumptions (Bass & Avolio, 1994). Suriyankietkaew and Avery (2014) reported that leadership behaviors such as ethical behavior, promoting compelling and shared vision, valuing employees and their contributions to the organization, and an enabling culture contribute to ensuring sustainability among SMEs in Bangkok.

Bendell et al. (2017) recommended the following to ensure future competitiveness and sustainability: to explore purpose and to align individual and organization purposes for improved performance, emphasize the uniqueness and interconnectivity of all networks, and foster understanding for collaborative learning and working, and support reflexivity on actions and their effect on the collective. Other recommendations included discarding the notion of the permanency of leadership, embracing its fluidity and

emergence as needed and around issues and projects, and replacing the means-end behaviors of contemporary business and organization, with compassion-based ideologies (Bendell et al., 2017). According to Goleman and Boyatzis (2017), emotionally intelligent competencies such as self-awareness, self-regulation, intrinsic motivation, empathy, and social skills nested in the domains of self-awareness, self-management, social awareness, and relationship management are necessary for leaders to lead effectively, while Trivellas and Reklitis (2014) added that leadership can derive opportunities from business complexities by enhancing learning, decision making, problem solving, and the creation of a dynamic organization.

Leaders of SMEs will need to consider the importance of continuous learning as a sustainability impetus to consolidate their innovativeness and competitiveness for the future. Emotional intelligence, social capital empowerment (Feldman, 2014), and continuous learning will support consistent value creation through reflexivity, the transmission of implicit knowledge, and deploying explicit knowledge about the environment (Chew & Dovey, 2014) to compete strategically. Leaders of SMEs should think forwardly and consistently question the readiness of their resources and employees to turn internal and external business challenges into innovative and competitive strategies to sustain SME growth for the future.

### **Gap in the Literature**

Ghanaian SME leaders continue to contend with leading their organizations to innovate, compete, and survive in a globally competitive market, despite the contributions of SMEs to economic development in Ghana. Adom and Asare-Yeboah

(2016) and Agyapong et al. (2018) studied SME performance, growth, and competitiveness in Ghana and focused on gaining access to capital and government policies aimed at lowering interest rates to increase production and the provision of loan guarantees for small businesses to expand. Researchers who have conducted studies on the contributions of transformational leadership to innovation, competition, and organizational performance have employed quantitative methods to prove relationships between transformational leadership and organization outcomes, and Adom and Asare-Yeboah's (2016) phenomenological study on the effects of leadership on SME performance in Ghana included an evaluation of the influence of human capital on female entrepreneurship. Researchers have not studied the lived experiences of SME leaders in Ghana adequately regarding the contributions of transformational leadership behaviors to leverage organizational talents for creativity and innovation within Ghanaian SMEs to respond to the demanding challenges of global business. To address this gap in the literature, I examined and described the perceptions and lived experiences of leaders of SMEs in Ghana regarding the effects of leadership behavior on organizational performance and the contributions of transformational leadership to promoting innovation, competition, and survival within Ghanaian SMEs.

### **Summary and Conclusion**

Improving SME performance and growth from a leadership perspective is important in global and highly competitive markets. Leaders who apply transformational leadership behaviors can extract the behavioral and attitudinal changes desired from employees to help their organization gain competitive advantage and survive. The

conceptual framework for this study was transformational leadership. Researchers have used the transformational leadership framework to ascertain which leadership behaviors contribute to leveraging organizational talents for performance, innovation, and competitive edge in the global environment (Boer et al., 2016; Li et al., 2018; Mittal, 2016).

Topics covered in this literature review included the leadership styles, leadership behaviors, and competencies needed to participate in the global environment; transformational leadership for global business; the contributions of transformational leadership to building learning organizations; and the contributions of transformational leadership to employee outcomes, organizational performance, and sustaining growth for the future. Existing studies on SME performance, growth, and competitiveness in Ghana by Adom and Asare-Yeboah (2016) and Agyapong et al. (2018) included a focus on access to capital and government policies aimed at lowering interest rates to increase production and providing loan guarantees for small businesses to expand growth, which has left the area of transformational leadership and SME performance under researched. The focus of this descriptive phenomenological study was closing the gap in the literature concerning the contributions of transformational leadership in leveraging talents for leaders of Ghanaian SMEs to innovate and compete in the global marketplace.

In Chapter 3, I will discuss the research design and rationale for the study.

### Chapter 3: Research Method

The purpose of this phenomenological study was to explore and describe the lived experiences of leaders of SMEs in Ghana in leveraging their organizational capabilities for innovation and competitiveness. The general problem was that leaders of Ghanaian SMEs do not have a system in place to lead, promote, and leverage the innovative capacity of their organizations to compete effectively and contribute optimally to the local and global economy (Ebodaghe & Shobayo, 2017; Forkuoh et al., 2012; Oladimeji et al., 2015). The specific problem was that leaders of SMEs do not fully understand the contributions of the transformational leadership model to the capacity of organizations to innovate and sustain global competitiveness (Acquaah & Agyapong, 2015; Appiah-Nimo et al., 2016; Ng et al., 2016).

This chapter includes detailed information on the research method selected; data collection, organization, and analysis procedures; rationale and justification for the research design chosen; and the research questions. I also address my role as a researcher, the methodology, and the criteria for participant selection and recruitment. Additional topics include participation criteria, sampling strategy, saturation, instrumentation, data collection and analysis, ethical procedures, and trustworthiness of the study. Data for this descriptive phenomenological study came from semistructured interviews with a sample of 20 SME leaders in the Greater Accra region of Ghana.

#### **Research Question**

The research question for this research study was as follows:

RQ: How do leaders of SMEs in Ghana describe their leadership experiences in leveraging their organizational capacities for innovation and sustaining global competitiveness?

### **Research Design and Rationale**

The main research methods are qualitative, quantitative, and mixed method. To help determine the appropriate method and design for a study, researchers use a study's purpose and research questions (Patton, 2015). Quantitative or mixed methods were not suitable for this study because its purpose was not to confirm hypotheses, quantify a problem, or test a theory. A qualitative methodology was used because its purpose was to understand participants' experiences and perspectives about a phenomenon (Hammarberg et al., 2016).

The ethnographic approach described by Lewis (2015) was not a suitable research design for this study due to the absence of distinct cultural elements in the study. A narrative approach as portrayed by Patton (2015), was also not suitable for addressing the purpose and research question, because the study did not involve an attempt to seek meaning in cultures and social norms. A case study, as explained by Yin (2014), was also not a suitable design because data collection occurred through semistructured interviews rather than cases. The heuristic design was not suitable because I had not experienced the phenomenon personally and I was not seeking self-discovery by reflecting on my experiences. Rather, I sought an understanding of the phenomenon, identified through the literature, to better describe it and to perhaps contribute to changes in leadership that could translate into improved performance and growth among SMEs in Ghana. I used

bracketing to refrain from using my prejudgments of the phenomenon and to be open to new information and discoveries that emerged from the collection and analysis of the data as experienced and narrated by the participants.

A descriptive phenomenological design was the most effective design to address the purpose and research questions for this study. Researchers derived the descriptive phenomenological design from Husserl's phenomenology by focusing on the essence and core of human phenomena (Giorgi, 2009). Descriptive phenomenological research designs allow researchers to access participants' life experiences and the associated commonalities as they experienced the phenomenon (Kim, 2016; Patton, 2015).

Phenomenological researchers' goal is to describe a phenomenon as accurately as possible while remaining true to the facts as expressed by those who experienced the phenomenon and while refraining from their own preconceived frameworks (Giorgi, 2009). By using the phenomenological design, researchers discover new meanings of a phenomenon through the vivid descriptions and interpretations of the experiences described by participants (Giorgi, 2009).

Giorgi (2009) posited that researchers conducting descriptive phenomenological studies should derive the essence and meaning of a phenomenon by being open to the opportunities presented by the description of the phenomenon through the verbal data collection process; analysis of the verbal data; breaking down the data into various parts; and organization, summary, and dissemination of the data. Researchers who have studied this phenomenon have used ethnographic, narrative, or case study approaches with similar data collection processes, including, in varying forms, observations, interviews,

audiovisual materials, and documents (Saldana, 2016), and the researchers have gathered information from single individuals or cases.

Participant selection involved purposive sampling. Researchers use purposive sampling to identify and select participants with in-depth experience and knowledge related to the phenomenon of interest, whose peculiar characteristics optimally address the research questions of the study (Patton, 2015). The interviews for this study took place with 20 executive leaders from SMEs listed by the Ghana Chamber of Commerce within the Tema and Accra municipalities in the Greater Accra region of Ghana, who had been in leadership for a minimum of five years and had at least five employees. The descriptive phenomenological design was suitable for exploring and for collecting data on the lived experiences of the participants as they experienced the phenomenon under study and for describing the findings from the participants' perspective.

### **Role of the Researcher**

My role as the researcher was to collect, organize, and interpret collected data and analyze the results. Data collection took place through semistructured interviews with 20 leaders of Ghanaian SMEs after I received approval from the Institutional Review Board (IRB) of Walden University (IRB Approval No. 08-05-19-0522004). All participants had at least five years of experience leading an SME and were willing to participate. I selected participants from the directory of the Ghana Chamber of Commerce of SMEs within the Greater Accra region or through LinkedIn. I followed the guidelines and used the preapproved e-mails and consent forms from the IRB to solicit participants to participate in the study voluntarily. I sent potential participants e-mails in

which I asked them to participate and sent them a consent form after I received a response indicating their willingness to participate. I conducted the semistructured interviews using a telephone.

Interviews are a primary form of data collection in qualitative research. According to Rubin and Rubin (2012), interviews are valuable means for researchers to learn about the world and require a researcher's curiosity and respect for the participants to hear and decipher what the participants disclose about their lives or the phenomenon under study. I used semistructured questions to elicit information from participants regarding their experience with the phenomenon under study. A semistructured interview provides a guide for the themes and direction for systematically addressing the issues and topics related to the problems of the study (Morse, 2015; Rubin & Rubin, 2012). To ensure trustworthiness and methodological consistency with phenomenology, I adhered to an interview guide that consisted of a set of interview questions derived from the research question. I expected each interview to last between 1 and 1.5 hours. I used the interview guide to ensure that I asked questions relevant to the issues of the study. I showed respect to the participants by giving them enough time to respond to the questions and describe their experiences without interjecting with my opinions or preconceptions of the phenomenon. Respecting participants through bracketing is important to the process and experiences throughout the data collection process and the analysis of the data (Bevan, 2014).

Qualitative researchers ensure the strength of their study by preventing or addressing issues of bias. In the qualitative phenomenological approach, researchers

engage in the epoché process by abstaining from using personal beliefs, knowledge, or theory in prejudging or speculating about the phenomenon (Bevan, 2014; Moustakas, 1994). The epoché process provides phenomenological researchers new knowledge and radical means of experiencing a phenomenon by encouraging them to theorize and think about the phenomenon in its original forms and as it changes based on the themes and patterns discovered (Bevan, 2014). I reduced bias and preconceived knowledge about the phenomenon under study through epoché and bracketing. Being conscious and reflective of my natural attitudes helped to ensure I did not take the participants' experiences for granted. The participants were leaders of SMEs in Ghana with whom I did not have a personal or professional relationship, which helped to reduce bias further.

### **Methodology**

The purpose of this qualitative descriptive phenomenological study was to describe the lived experiences of leaders of SMEs in Ghana inspiring innovation and competitiveness. A phenomenological design was appropriate for addressing the research question, as it allowed the participants to describe how they experienced the phenomenon under study. In this section, I address the logic for participant selection and describe the sampling strategy instrumentation used for data collection and data analysis. It is important to detail the systematic processes of a research study so others can understand and replicate the study.

#### **Participant Selection Logic**

Phenomenological researchers select participants for their studies based on the participants' experiences with the phenomenon under study (Patton, 2015). For this

study, participants were leaders from SMEs identified through LinkedIn or listed by the Ghana Chamber of Commerce within the Tema and Accra municipalities in the Greater Accra region, who had been in leadership for a minimum of five years and had at least five employees. I selected the participants based on their experience in leadership in Ghanaian SMEs, and because they were able to describe how their leadership behaviors have contributed or otherwise to the innovativeness and competitiveness of their organizations. Data gathered from participants can provide rich information and knowledge about a phenomenon (Patton, 2015).

### **Sampling Strategy**

Participant recruitment involved using a purposive sampling technique. Researchers use purposive sampling to gain in-depth information about a central phenomenon related to the purpose and questions of the study by those who have experienced it (Patton, 2015). The purposive sampling technique was suitable because the participants possessed peculiar characteristics and experiences needed to address the research questions. Sample size is important to ensure confidence in the research results, and researchers determine an appropriate sample size in qualitative research using the nature of the study, scope, research design, and data quality (Starks & Brown-Trinidad, 2007). In phenomenological studies, a sample size of five to 25 people who have experienced the phenomenon being studied is appropriate (Leedy & Ormrod, 2010). Klenke (2008) recommended a sample size between two and 25; Morse (1999) suggested at least six participants; and Ritchie, Lewis, and Elam (2003) noted that qualitative samples are large enough when researchers reach a point of saturation at which additional

data do not reveal new information. Patton (2015) recommended selecting a minimum number of participants when studying information-rich cases with the flexibility to adjust as information emerges.

The sample size for this study was set at 20 participants or the point at which saturation occurred. I assumed that the sample size would be adequate for addressing the problem under study, as only individuals with experience of the phenomenon were able to participate and saturation was reached after the 20<sup>th</sup> interview. Potential participants identified through LinkedIn or from a list obtained from the Ghana Chamber of Commerce received an e-mailed invitation with a request that they voluntarily participate in the study. This initial e-mail included information regarding the research topic, participant selection, research process, and expectations. Upon receipt of their agreement to participate, the potential participants received a consent form with an explanation of their role in the study and of confidentiality issues. I contacted the potential participants after I received IRB approval.

### **Saturation**

Sample size determination in qualitative studies is informed by a variety of factors (Mason, 2010), including the aim of the study, sample specificity, use of established theory, quality of dialogue, and analysis strategy (Malterud, Siersma, & Guassora, n.d.). The factors affecting the sample size notwithstanding, saturation, which is the point at which a researcher can derive no new information from another interview, is important in determining whether to limit or expand the sample size. Malterud et al. (n.d.) noted that researchers can reach saturation in a qualitative study with a small number of

participants when they have rich information relevant to the study. The sample size of 20 was adequate for this study as saturation was reached after the 20<sup>th</sup> interview.

### **Instrumentation**

The primary source of data for this study was semistructured interviews with 20 participants. Semistructured interviews are suitable when a researcher wants to collect comprehensive and systematic information from participants regarding a phenomenon (Patton, 2015). I designed and administered the interview questions based on the main question of this study. I also used an interview guide to maintain the purpose and direction for systematically addressing the issues and topics related to the problems of the study (Rubin & Rubin, 2012) and for ensuring comprehensiveness and uniformity in the areas of inquiry with each participant (Patton, 2015). As I was an instrument in the data collection process, I engaged in the epoché process by abstaining from using personal beliefs, knowledge, or theory in prejudging or speculating about the phenomenon (Bevan, 2014; Moustakas, 1994), as is a tradition in phenomenological studies. I used a digital voice recorder and the audio recorder on my cellphone to record the interviews, and I transcribed the notes on my computer.

### **Pilot Study**

A pilot study was necessary for this study, as I designed the instruments for data collection. During the pilot study, I evaluated the adequacy of the instrument, identified and refined issues relating to the inquiry questions, evaluated participant selection criteria and the time and protocol for data collection (Orsmond & Cohn, 2015), and exercised epoché. It was important that I ask appropriate questions relating to the study to ascertain

rich data to address the problem under study. For the pilot study, I solicited the input of two SME leaders in Ghana with leadership experiences and an organizational structure relative to the intended population, identified through LinkedIn, to review for relevance the interview questions that I intended to ask the participants. I followed the same process of invitation and consent and used the same instruments to conduct and record the interviews that I used in the main study.

### **Procedures for Recruitment, Participation, and Data Collection**

Twenty participants identified from a listing obtained from the Ghana Chamber of Commerce provided information for this study. The participants received an e-mail regarding the study and their participation. I adhered to the standards established by the IRB of Walden University regarding recruitment, participation, and data collection procedures to protect the rights of the study participants. Participant involvement in the study was voluntary, with the option to withdraw from the study at anytime without penalty, and participants received an assurance of the confidentiality of their responses. I sent an e-mail to all potential participants explaining the nature of the study and requested their permission to participate in the study. The data collection process began after I gained consent from participants and approval from Walden University's IRB. Approval from an IRB is a requirement in studies involving human subjects (Cseko & Tremaine, 2013). In qualitative studies, researchers collect data through interviews, images, documents, observations, interviews and questionnaires, audio- and videotapes, and photographs (Maxwell, 2013). I collected data using semistructured interviews to gain rich information from the participants about their experiences of the contributions of

transformational leadership in leveraging talents for organizational innovation and competitiveness. The data collection instrument was also influenced by the conceptual framework of transformational leadership. Interview questions were designed to explore the participants' experiences about the four constructs of the conceptual framework. Interview questions one through four explored the participants' experiences about inspirational motivation. Interview Questions 5–10 explored participants' experiences with the intellectual stimulation construct. The idealized influence construct was explored through interview questions eleven through thirteen and individualized consideration was explored through questions fourteen through sixteen.

I conducted one interview per participant, and the interviews did not take more than 36 minutes to explore the lived experiences of SME leaders in Ghana regarding the contributions of transformational leadership to leveraging their organizational outcomes for innovation and competitiveness. In phenomenological studies, the experiences of participants regarding the central phenomenon provide explanations and an understanding of what a researcher seeks to understand (Patton, 2015). I collected information relating to each participant's number of years of experience in leadership, the number of employees in each participant's organization, and the number of direct reports to ensure the participants meet the criteria for the study. I did not use personal identifiers of the participants in the interview or at any point within the research. I conducted interviews over the telephone. I recorded the data on my cellphone and audio recorder, and I took notes of important phrases that participants used to describe their experiences. I transcribed all data collected within 24 hours of each interview, and I contacted the

participants within 48 hours of the interview for member checking to confirm the accuracy of the responses captured.

### **Data Analysis Plan**

Data analysis in qualitative research is a process of systematically summarizing information gathered from the field to derive a narrative and logical chain of evidence that increases the understanding of the phenomenon under study (Patton, 2015). In phenomenological studies, data analysis is a rigorous and systematic procedure (Moustakas, 1994). In this phenomenological study I adhered to the systematic and rigorous procedures of the modified Van Kaam method for analyzing phenomenological data, described by Moustakas (1994). The steps of the Van Kaam method include (a) horizontalization, which involves coding and grouping all experiences relevant to the experience; (b) reduction and elimination, which involves seeking the relevance of the quotes to the experience and latent meaning; (c) thematizing, which refers to grouping the themes; (d) checking the themes against the data to ensure the themes are representative of participants' experiences; and (e) synthesizing the texts and emotions in the data for a comprehensive understanding of the lived experiences of the phenomenon on the contributions of transformational leadership to organizational outcomes.

Suspending personal judgments and reducing researcher bias are critical to the analysis of phenomenological data. In the analysis of the study, I eliminated my presuppositions by seeking to understand the phenomenon through the unique words and phrases the participants use to describe their experiences. I also used memos to capture the reflective notes in the data collection process to categorize and derive the themes

(Saldana, 2016) from the interviews with the participants, and I synthesized the themes textually(words)and structurally(emotions) to derive a comprehensive understanding and meaning of the essences of the lived experiences of the participants (Moustakas, 1994).

Qualitative researchers collect information-rich data from participants regarding their attitudes, beliefs, experiences, and perceptions of a phenomenon under study. Researchers access qualitative data through interviews, observations, audio- or videotapes, and other multimedia materials that they must analyze to identify similarities or differences in themes and categories to illuminate and explain the participants' experiences (Maxwell, 2013). Analyzing copious amounts of data-rich information manually can be a time-consuming and laborious process for researchers. Some researchers rely on computer software to assist in analyzing and managing data (Saldana, 2016).I used NVivo software to aid in analyzing the data and to link the data to the findings by referencing the purpose of the study relevant to the lived experiences of the participants. NVivo is computer-assisted qualitative data analysis software that researchers use to create, code, link, analyze, and manage data.

Discrepant results are results that do not align with the literature or prior analytical findings. Discrepant results prevent ideological hegemony by offering new perspectives of framing a phenomenon and pointing to alternative implications and directions of future studies (Maxwell, 2013). There were no discrepant results associated with this study.

### **Issues of Trustworthiness**

Trustworthiness in qualitative research refers to the way researchers establish the laudability of their research and findings (Lincoln & Guba, 1985). Trustworthiness in qualitative research is akin to establishing reliability and validity in quantitative research. Lincoln and Guba (1985) proposed four criteria for establishing trustworthiness in qualitative studies: credibility, transferability, confirmability, and dependability. A discussion on the protocols involving the four criteria for establishing trustworthiness in this study follows.

#### **Credibility**

Establishing credibility in qualitative studies involves substantiating that the results of the research are consistent and representative of participants' perspectives and experiences. Guba and Lincoln (1995) emphasized that researchers can achieve credibility through the rigor of their interpretation of results, and Patton (2015) stressed that researchers can establish credibility in qualitative research through a systematic, in-depth data collection process that yields rich information by sampling individuals with experience of the phenomenon, systematic analysis, and the importance of the role of the researcher. Credibility is important because the basis of the data collected is deep and information-rich interviews that capture experiences that describe and elucidate the meaning of the phenomenon of interest. To establish credibility in this study, I maintained the epoché process of bracketing to ensure my personal biases did not influence my interpretation of the results. I also conducted member checks 48 hours after

the interview and transcription to ensure the views captured were representative of what the participants expressed during the interview.

### **Transferability**

Transferability refers to the extent to which a researcher provides evidence to establish that researchers can apply the results of a study to other settings (Lincoln & Guba, 1985). Qualitative researchers ensure transferability by providing detailed and robust accounts of their processes and experiences during the data collection process (Lincoln & Guba, 1985). Patton (2015) indicated that although it is the responsibility of the qualitative researcher to provide detailed description of the research design, method, and processes, the onus of judgment of transferability of the research results to other contexts rest with the individual needing to transfer the results of the research to a different context. For this study, I ensured transferability by detailing where, when, and how I collected data, including through field notes that captured and expressed participants' emotions as they recounted their experiences with the phenomenon to provide an in-depth understanding of the research setting and details about the data analysis plan. The detailed descriptions of the processes and methods should provide sufficient information to help future researchers make informed decisions about the transferability (Patton, 2015) of a study.

### **Dependability**

Dependability refers to the extent the findings of a study are consistent and the extent to which researchers can replicate the findings in similar contexts (Cope, 2014). Cohen, Manion, and Morrison (2011) indicated that a way to ensure dependability in

qualitative studies is to have participants evaluate whether the findings, interpretations, conclusions, and recommendations that a researcher draws from the data collected from the participants are consistent with the participants' experiences. I used member checking to confirm that the transcripts confirm and represent the experiences of the participants. I also shared the findings with the participants to create room for corrections where necessary to enhance the dependability of the findings.

### **Confirmability**

Confirmability refers to the extent to which a researcher can consider a research study objective and consistent with the standards of trustworthy research (Lincoln, 1995) and the extent to which the participants' narratives, rather than the biases of the researcher, inform and shape the findings. Guba and Lincoln (1995) and Patton (2015) posited that reflexivity and maintaining audit trails are some tools qualitative researchers use to ensure confirmability. For this phenomenological study, I ensured confirmability by engaging in the epoché process and in reflexivity. I maintained a reflexive journal through the entire research process, especially during the collection and analysis of data, documenting why and how I made each decision in this study.

### **Ethical Procedures**

Ethical considerations in qualitative research are important because the primary source of data is participants (Rudestam & Newton, 2007) and because of the potential of balancing the harm from research against the potential benefits. Researchers must incorporate ethical procedures, such as securing informed consent from participants and ensuring participant privacy, confidentiality, and protection in all stages of a research

study (Cugini, 2015; U.S. Department of Health and Human Services, 1979), to reduce risks to participants. To adhere to the principles of safeguarding human participants as outlined in the *Belmont Report* (U.S. Department of Health and Human Services, 1979), it is necessary for a researcher to obtain IRB approval. I obtained approval from Walden University before the data collection process began.

Informed consent is an important part of maintaining ethics in research, and researchers use it to inform study participants, in comprehensible language, of the nature of the study, the data collection process, and the way they will use the data (Cugini, 2015). I used the informed consent form to ask the potential participants to participate in the study and to disclose all aspects of the study and the way I will disseminate the findings. I informed participants of their right to participate and withdraw from the study voluntarily and without penalty.

Ensuring confidentiality means that researchers must take steps to ensure participants' information is protected from unauthorized access, modification, disclosure, use, theft, and loss (Rudestam & Newton, 2007). Addressing concerns of confidentiality builds trust between the researcher and participants and affords the participants the latitude to disclose information about their experiences with the phenomenon under study (Rudestam & Newton, 2007). In this study, I ensured participant confidentiality by removing all identifying characteristics from the data and replacing them with codes.

I stored data in a password-protected document on personal computer that was also password protected to prevent unauthorized access. All transcribed data were scanned and stored in Dropbox, a cloud-based data storage application protected by

password to ensure the data would be accessible when needed and to mitigate the incidence of loss or theft. Copies of the transcripts have also been stored in a lockbox. I will store the data for 5 years after the completion of the study and destroy them when the time has elapsed. By following the epoché process for data collection and analysis ascribed in the phenomenological research tradition and by consciously protecting the data, I ethically protected the confidentiality and safety of the participants in this study.

### **Summary**

In Chapter 3, I discussed the rationale for selecting the research design and the method of data collection to address the research problem and the central concept of the study effectively. The phenomenological research design was suitable because I was able to access participants' life experiences and the commonalities associated with their experience of the phenomenon, which afforded discoveries of new meanings of a phenomenon through the vivid and copious descriptions and interpretations of the experiences shared by the participants.

I also discussed my role as the researcher in this study and the processes followed to gain permission for data collection, as well as where and from whom I collected data. I provided a description of the epoché process (Bevan, 2014; Moustakas, 1994) and of how I applied it throughout the study to mitigate researcher bias. I collected data through semistructured interviews to hear and decipher what the participants disclosed about their lives or the phenomenon under study.

Chapter 3 also included discussions on participant selection, the sampling strategy, saturation, and instrumentation. I discussed the importance of pilot studies and

why a pilot study is necessary, as well as the procedures for recruitment, participation, and data collection. Finally, this chapter included discussion of the data analysis plan, issues of trustworthiness, and ethical considerations to ensure the safety and confidentiality of the research participants.

Chapter 4 will include the results of the study and its impact on the study.

## Chapter 4: Results

### **Introduction**

The purpose of this phenomenological study was to explore and describe the lived experiences of leaders of SMEs in Ghana in leveraging organizational capabilities for innovation and competitiveness. The general problem was that leaders of Ghanaian SMEs do not have a system in place to lead and promote effective behaviors, attitudes, and attributes to leverage the innovative capacity of their organizations to compete effectively and contribute optimally to the local and global marketplace. The specific problem was that leaders of SMEs have not fully understood the contributions of the transformational leadership model to the capacity of organizations to innovate and sustain global competitiveness. The main research question that guided this study was as follows: How do leaders of SMEs in Ghana describe their leadership experiences in leveraging their organizational capacities for innovation and sustaining global competitiveness?

This chapter includes a description of the pilot study and results, a description of the research setting, participant demographics, and data collection and analysis procedures. Additionally, I address the trustworthiness of the research through ensuring credibility, transferability, dependability, and confirmability of the research process and the results.

### **Pilot Study**

This phenomenological study required a pilot study, which was begun after I received approval to begin the data collection process from the Walden University IRB

(August 15, 2019). The pilot study began on August 16, 2019 and ended on August 28, 2019. It was conducted to assess the feasibility of the interview questions and to refine and confirm the suitability of the data collection approach for a larger group of participants.

The participants for the pilot study were not part of the sample for the main study. They had characteristics similar to those required of the study participants. The pilot study involved two participants who were leaders of SMEs in Ghana, with an average of 9 years of leadership experience in SMEs in Ghana and 2–50 employees.

The participants for the pilot study were identified via LinkedIn as members of Ghanaian small business leader groups. I sent recruitment e-mails to the two candidates who met the eligibility criteria, which included a consent letter with instructions to reply saying, “I consent. “Upon receipt of that consent e-mail, I contacted the participant, and scheduled a time and date for a telephone interview

Each participant provided feedback on the data collection method and the research instrument. The feedback received from both participants was that the interview questions and the method of data collection aligned with the research problem and research question. Both participants agreed that no revisions were necessary to conduct the main study. The pilot interviews were excluded from the main study.

### **Research Setting**

Twenty Ghanaian SME leaders were the participants for my study. The setting for the research was telephone interviews. Each interview took place an agreed time with each participant, separately and privately. Telephone interviews were more convenient

than in-person interviews due to the location of the participants. I called each participant with my cell phone and began recording on a digital recorder after the participant picked the call. I went over the consent form and its stipulations and the background of my study with each participant and made the participants aware that the interview was being recorded and that they were on speaker phone. I conducted the 20 interviews in a secured and safe room. The atmosphere was relaxed, and participants were able to choose a location that was comfortable and suitable for them to participate in the interviews.

Each interview took place using my Samsung Galaxy cellphone and a digital voice recorder. I ensured the record button on the digital voice recorder and sound quality were properly functioning before each interview. Telephone interviews were the most conducive for the participants considering their other commitments and schedules. There were no financial obligations or constraints relative to the study, and there were no known conditions that could have affected the participants' responses. Neither were there any known traumas that could have affected the participants or influenced how the interviews were interpreted.

### **Demographics**

This study involved describing the lived experiences of leaders of SMEs in the Greater Accra region of Ghana regarding leadership behaviors that inspire innovation and competitiveness. The participants were SME leaders who had been in leadership for a minimum of five years and had at least five employees. Twenty qualified SME leaders in the Greater Accra region participated, and I used the purposeful sampling method to select participants.

The participants had diverse experience in different industries, including education, petroleum and energy, household detergent manufacturing, industrial chemical manufacturing, fashion and design, catering, food processing, automobile servicing and repair and housing and construction. The participants' industry analysis is in Table 1. This analysis helped me understand the impact of the findings relative to each industry. The participants had leadership experience ranging from 5 to 40 years and between five and 40 employees. The demographic characteristics of the participants are in Table 2. There were 9 men (45%) and 11 women (55%). The participants are identified as P1 through P20. The diverse backgrounds and experience of the participants helped me attain in-depth and rich information about the phenomenon, which improved my understanding of the phenomenon.

Table 1

*Participants' Industries and Percentages*

| Industry                           | N=20 | %  |
|------------------------------------|------|----|
| Food processing                    | 1    | 5  |
| Household detergents               | 1    | 5  |
| Industrial chemicals manufacturing | 2    | 10 |
| Catering and hospitality           | 2    | 10 |
| Petroleum and energy               | 2    | 10 |
| Fashion                            | 4    | 20 |
| Auto servicing and repair          | 2    | 10 |
| Education                          | 5    | 25 |
| Construction                       | 1    | 5  |

Table 2

*Participant Demographics*

| Participant | Gender | Industry                          | No. of employees | Leadership experience with current organization (years) | Total leadership experience (years) |
|-------------|--------|-----------------------------------|------------------|---|-------------------------------------|
| P1          | Male   | Industrial chemical manufacturing | 9                | 9   | 9                                   |
| P2          | Male   | Household chemical Manufacturing  | 8                | 3   | 25                                  |
| P3          | Male   | Cleaning detergents               | 10               | 4   | 6                                   |
| P4          | Female | Food processing                   | 12               | 8   | 30                                  |
| P5          | Female | Catering                          | 13               | 5   | 10                                  |
| P6          | Female | Textiles manufacturing            | 20               | 6   | 15                                  |
| P7          | Female | Petroleum products                | 12               | 10  | 12                                  |
| P8          | Male   | Automobile metal fabrication      | 7                | 15  | 40                                  |
| P9          | Female | Catering                          | 10               | 8   | 30                                  |
| P10         | Female | Fashion                           | 5                | 13  | 13                                  |
| P11         | Male   | Education                         | 30               | 4   | 8                                   |
| P12         | Female | Education                         | 20               | 9   | 12                                  |
| P13         | Female | Beauty and fashion accessories    | 15               | 15  | 16                                  |
| P14         | Male   | Education                         | 40               | 4   | 10                                  |
| P15         | Male   | Energy and finance start-up       | 10               | 12  | 20                                  |
| P16         | Female | Education                         | 42               | 6   | 10                                  |
| P17         | Male   | Construction                      | 5                | 11  | 12                                  |
| P18         | Female | Education                         | 32               | 10  | 18                                  |
| P19         | Female | Cosmetics manufacturing           | 5                | 6   | 7                                   |
| P20         | Male   | Auto mechanic                     | 8                | 6   | 10                                  |

**Data Collection****Recruitment**

My application to conduct research was approved by Walden University's IRB on August 15, 2019 (Approval No. 08-15-19-0522004). I used purposive sampling to identify and recruit participants. The participants were 20 SME leaders from nine

industries in the Greater Accra region of Ghana. The participants had between 5 and 40 employees, and the leadership experience of the SME leaders leading their current SMEs was between 3 and 15 years. The leaders from the education industry are considered SME leaders because they own or lead private elementary education institutes without government support.

My participant recruitment plan was to reach out to small business owners through a list obtained from the chamber of commerce in the Greater Accra region and through LinkedIn. I e-mailed recruitment letters to the potential participants I identified who met the criteria. I e-mailed 60 candidates and received positive feedback from 38, whom I also e-mailed the consent forms. Twenty-nine replied consenting to participate, but only 22 scheduled a time and participated in the interview. Participants answered seven inclusion and demographic questions and responded to 16 semistructured interview questions. I interviewed 20 participants for the study because no new information emerged from the interviews after the 20<sup>th</sup> interview.

### **Data Collection Technique**

The primary source of data collection was semistructured interviews. The data collection process lasted 9 weeks. The data collection instruments were the recruitment and consent e-mails sent to the participants and the telephone interviews. The original plan was to use only the recorder on my cellphone to record the interviews; however, I made a change to the plan and added the Digdan Rechargeable Voice Activated Recorder, a digital voice recorder, to ensure I captured all the interviews in the event that the sound was inaudible on my cellphone. I did not use WhatsApp or Skype for the

interviews as originally intended, as the sound quality on a direct telephone call was more reliable.

The data collection method was an interview protocol with interview questions. The interview protocol detailed the participant's code, the date and time of the interview, and the interview questions. I asked the participants 16 semistructured interview questions, and all participants answered all interview questions. Some participants provided responses with examples, while some provided succinct but valuable information for the research.

Recording the telephone interviews involved using the digital voice recorder. I checked the recording function before each interview for sound and clarity. The recording of each interview was clear and easy to transcribe. The interviews lasted an average of 19 minutes, with the shortest lasting 10 minutes and the longest interview lasting 36 minutes. I transcribed each interview manually in a word document on my computer after playing the recordings from the voice recorder. I listened and paused each interview until it was fully and accurately transcribed. I then sent a copy of the transcript to all participants to check that I had accurately captured their experiences as they described them to me. All participants indicated I had accurately captured their interviews. I did not use NVivo software to transcribe the data. I manually transcribed each interview by typing each interview into a Microsoft Word document on my computer as I played it from the digital voice recorder.

## **Data Analysis**

Following the phenomenological approach helped me understand the lived experiences of the 20 SME leaders in Ghana as they related to inspiring innovation and competitiveness. I began the analysis by making sense of the collected and transcribed data by coding them into categories and themes (Maxwell, 2013; Patton, 2015). Coding is an iterative and analytical process of organizing, sorting, and categorizing data for analysis. Codes capture the details and essence of a research story, and when clustered together by a pattern, they actively facilitate the development of categories and their connections (Saldana, 2015) that lead to essential thematic findings.

Coding the data involved using the Van Kaam method modified by Moustakas (1994), as identified and defined in the Data Analysis Plan section in Chapter 3 to establish common themes and shared meanings among participants. The steps of the Van Kaam method used for analyzing data for this study were as follows:

1. Horizontalization, which involves coding and grouping all experiences relevant to the experience.
2. Reduction and elimination, which involves seeking the relevance of the quotes to the experience and latent meaning.
3. Thematizing, which refers to grouping the themes.
4. Checking the themes against the data to ensure the themes are representative of participants' experiences.

5. Synthesizing the texts and emotions in the data for a comprehensive understanding of the lived experiences of the phenomenon on the contributions of transformational leadership to organizational outcomes.

Engaging in the Van Kaam process of analyzing the data helped identify common themes relevant to participant perceptions and experiences relative to the research question.

I transcribed each interview within 24 hours of the interview and e-mailed a copy of the interview transcript to each participant within 48 hours of the interview for member checking. I asked participants to respond by e-mail if they saw any omission or addition that was not representative of their interview. All participants indicated I had captured their responses accurately. After all the interview transcriptions and member checks were complete, I uploaded all 20 transcripts into NVivo 12 software for coding. I used the NVivo 12 software to organize and sort the raw data into codes and themes. The NVivo software was useful in reducing the data into categories, patterns, and themes based on the interview questions.

I used open and axial coding to look for distinct and invariable concepts in the data to develop first-level categories to construct the primary categories of analysis. The first review involved reading through the entire set of interview responses to develop preliminary coding categories. Open coding involved using line-by-line and sentence analysis. Primary, first-level codes were generated based on the research questions and coding of the transcripts. The names of the codes were assigned directly from the words that comprised each interview question to ensure consistency with the coding and to directly align the answers in the transcripts to the appropriate code. For example, one

interview question asked the participants to discuss their leadership style. The code or label for this question was “Leadership style.” This process yielded 16 primary codes based on the interview questions. These primary, first-level categories served as thematic codes to establish a framework of thematic concepts for the subsequent coding and analysis.

The second round of coding involve rereading each transcript and axial coding. Axial coding involves assigning greater meaning to already identified themes during the first-level or open coding (Maxwell, 2013). Second-level codes were generated from the answers provided by each participant that were associated and coded to the 20 primary codes. The coding labels were assigned using words that participants stated in the interviews; codes or labels were developed directly from a word, words, or phrases from the coded passages of text. The data were coded and grouped according to similarities. This process allowed the themes to emerge naturally and to develop categories that were relevant to the research question (Maxwell, 2013). For example, one answer to the question about the leadership style provided by P15 was “being approachable.” The NVivo code assigned to these passages of text concerning leadership style was “Approachable. “I further derived the meaning of the essences of the lived experiences of the participants regarding the phenomenon being studied by analyzing the themes through the conceptual framework lens. Idealized influence construct was captured through the diverse leadership style theme by how the participants described how the modelled acceptable behaviors such as trust, ethical commitment, value, and a sense of purpose, loyalty, and confidence for their followers. Perceptions of leader skills and

behavior that enable and empower innovation and innovative decision making described how leaders used intellectual stimulation to enable their followers find new solutions to organizational problems. The themes of establishing organizational vision and purpose and employee dedication towards achieving the organizational purpose described participants experiences of inspirational influence and idealized influence construct was explicated in the themes of identifying rising leaders and experiential leadership development and training.

The third review of the coding helped to ensure the proper assignment of NVivo codes and to collapse any closely similar codes together. The coding produced 16 first-level, 101 second level, and two third-level codes. A total of 219 codes emerged from the data.

Researchers set aside predispositions of the phenomenon being studied through bracketing (Moustakas, 1994). In this study, I used bracketing through the data collection and analysis stage to set aside all prior information, knowledge, or thoughts I had about being in leadership. I used bracketing to prevent any biases I may have had from influencing the study. Focusing only on the data that were relevant to the research question enabled me to draw relevant conclusions and findings related to the lived experiences of SME leaders in Ghana in inspiring innovation and leading competitive organizations.

Data saturation is important to qualitative studies. Saturation is the point at which a researcher derives no new or relevant information from another interview (Malterud et al., n.d.). Saturation helps researchers to determine the appropriate sample size for a

qualitative study. Aside from sample size, saturation was attained due to the heterogeneity of the population. The sample size for this study was 20 because after the 20th interview, no new or relevant information emerged as I had attained data saturation.

There were no discrepant cases. Participants were precise and detailed when they answered the interview questions during the data collection process. All participants answered all 16 interview questions and did not express any misgiving or apprehension about answering any question. The participants' answers provide unique and detailed narratives of their experiences of the phenomenon under study.

### **Evidence of Trustworthiness**

Trustworthiness in qualitative research refers to the way researchers establish the laudability of their research and findings (Lincoln & Guba, 1985). A discussion on the protocols involving the four criteria for establishing trustworthiness in this study follows.

#### **Credibility**

Establishing credibility in qualitative studies involves substantiating that the results of the research are consistent and representative of participants' perspectives and experiences. Guba and Lincoln (1995) emphasized that researchers can achieve credibility through the rigor of their interpretation of results, and Patton (2015) stressed that researchers can establish credibility in qualitative research through a systematic, in-depth data collection process that yields rich information by sampling individuals with experience of the phenomenon, systematic analysis, and the importance of the role of the researcher. Credibility is important because the basis of the data collected is deep and

information-rich interviews that capture experiences that describe and elucidate the meaning of the phenomenon of interest.

To establish credibility in this study, I conducted member checks within 48 hours after each interview to ensure the views captured were representative of what the participants expressed during the interview. I e-mailed a transcript to all participants and asked them to check for omissions or commissions that may have happened during the interview. All participants confirmed I had accurately captured their experiences in their transcript. I also maintained epoché to ensure my personal biases did not influence my interpretation of the results, and I used bracketing to channel and eliminate all personal biases through the data collection and analysis process.

### **Transferability**

Transferability refers to the extent to which a researcher provides evidence to establish that researchers can apply the results of a study to other settings (Lincoln & Guba, 1985). Qualitative researchers ensure transferability by providing detailed and robust accounts of their processes and experiences during the data collection process (Lincoln & Guba, 1985). Patton (2015) indicated that although it is the responsibility of the qualitative researcher to provide detailed description of the research design, method, and processes, the onus of judgment of transferability of the research results to other contexts rest with the individual needing to transfer the results of the research to a different context.

For this study, I ensured transferability by detailing where, when, and how I collected data, including through field notes that captured and expressed participants'

emotions as they recounted their experiences with the phenomenon to provide an in-depth understanding of the research setting and details about the data analysis plan. The detailed descriptions of the processes and methods should provide sufficient information to help future researchers make informed decisions about the transferability (Patton, 2015) of a study.

### **Dependability**

Dependability refers to the extent the findings of a study are consistent and the extent to which researchers can replicate the findings in similar contexts (Cope, 2014). Cohen, Manion, and Morrison (2011) indicated that a way to ensure dependability in qualitative studies is to have participants evaluate whether the findings, interpretations, conclusions, and recommendations that a researcher draws from the data collected from the participants are consistent with the participants' experiences. I used member checking to confirm that the transcripts confirm and represent the experiences of the participants. I also shared the findings with the participants to create room for corrections where necessary to enhance the dependability of the findings. No changes occurred to the dependability strategy of the study.

### **Confirmability**

Confirmability refers to the extent to which a researcher can consider a research study objective and consistent with the standards of trustworthy research (Lincoln, 1995) and the extent to which the participants' narratives, rather than the biases of the researcher, inform and shape the findings. Guba and Lincoln (1995) and Patton (2015) posited that reflexivity and maintaining audit trails are some tools qualitative researchers

use to ensure confirmability. For this phenomenological study, I ensured confirmability by using NVivo 12 software to code, analyze, and organize participant responses into codes and themes and arranged the data to identify any bias in the analysis process. The digital voice recordings, audit trails, and use of NVivo software helped reduce bias and enhanced the confirmability of the study.

### **Study Results**

Participants answered 16 interview questions. I transcribed participants' answers and loaded them into NVivo 12 software for coding. The thematic analysis of data resulted in various parent and child nodes that illuminated the participants' experiences relative to the research question. The main research question was as follows: How do leaders of SMEs in Ghana describe their leadership experiences assisting in leveraging their organizational capacities for innovation and sustaining global competitiveness?

The coding produced 16 first-level, 101 second -level, and two third-level codes. A total of 219 codes and 12 themes emerged from the data. Table 3 shows a breakdown of the emergent themes, their definitions, and their nodes.

Table 3

*Breakdown of the Themes and Nodes Derived from the Coding*

| Themes   | Definitions  | Number of nodes |
|--|--|-----------------|
| Diverse leadership styles  | How participants described their leadership style  | 27              |
| Leadership challenges: employees, customers and finances                                   | Leadership challenges experienced in the participants' organization/ company   | 27              |
| Perceptions of leader skills that encourage innovation                                     | Perceptions of the skills a leader should possess to effectively harness organizational innovative capabilities and compete globally     | 39              |
| Perceptions of leader behavior that empower innovation                                     | Perceptions of the behaviors a leader should possess to empower and encourage innovative capabilities                                    | 43              |
| Establishing organizational vision and purpose   | How the participants articulate the organizational vision and purpose to employees in their organization                                 | 27              |
| Employee dedication, promptness and development toward achieving the organizational vision | Employee contributions to achieving organizational goals   | 29              |
| Innovative decision-making through discussion, employee collaboration and data             | How innovative decisions are made in the participants' organization/ company   | 21              |
| Global competition   | How the participants' organizations have fared with the advent of global competition   | 23              |
| Multiple challenges impacting organizational innovation                                    | Challenges that impact the participants' efforts of innovation   | 23              |
| Measures to support future organizational innovative capabilities                          | The many measures described by the participants that are in place to support their organization's innovative capabilities for the future | 24              |

|  |   |    |
|--|---|----|
|  |   | 98 |
| Identifying rising leaders                       | How the participants identify leaders in their organization/company | 34 |
| Experiential leadership development and training | How the participants develop leaders in their organization          | 26 |

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### **Theme 1: Diverse Leadership Styles**

This theme emerged from the varied responses to Interview Question 1, which asked participants to describe their leadership styles. Participants described their leadership style in varied ways, including being approachable, an autocratic leader, fair, flexible, a good listener, and involves team, open-minded, democratic, opinionated, and persuasive. P6 noted that her leadership type involved advising, teaching, and coaching employees. P15 described his prevalent leadership style as approachable and noted he had a fairly easy style. P13 preferred to train people, get people on board, and achieve things together. Other participant expressed that they tell their employees what to do. P12 stated,

I will say it is democratic because I am of the view that everyone has some good in them and can be encouraged to bring it out. There is a bit of autocracy too because once in a while, I have to make decisions that do not go down well with the people, but in this position, you are not there to please anybody. But my style is more democratic than autocratic.

P5, who is a leader of a catering business, described her leadership style as follows:

I use the team type of leadership, where everyone is included. I believe with this you can get the desired results. So, whenever we are doing something, we use smaller groups and give them assignments and come back to check at the end of the day if they have accomplished the task.

P14, a leader of an educational institution, uses various leadership styles based on the situation and task at hand. P14 stated;

There is a bit of transformational and servant leadership. Transformational because you need to think of the future so when you are not there, what happens, put leaders in place to take over when you don't feel well. Servant because you don't have to tell people to things. They have to see you do it too. Education is action based so they have to see you do it, demonstrate it, so they understand how it is done.

## **Theme 2: Leadership Challenges: Employees, Customers, and Finances**

This theme highlighted the challenges the participants experience as leaders of their organizations. These leadership challenges contribute to how effectively they lead their organizations to innovate and compete. P19 and P11 identified communication as a leadership challenge. Communication within an organization is critical for sharing the vision, information, and knowledge and for attaining organizational goals. P18 explained that constant and consistent communication is needed so that the values and goals are shared by everyone in the organization. Other challenges identified by participants included customers not paying for service, finances, and lack of customers to patronize their services. P6 mentioned lack of resources and the size of the company hinder the company's access to capital and ability to compete. Demonstrating the effect that challenges had on performance, P8 stated that the business will have to close due to the lack of customers.

Additional challenges reported by participants included the challenge of onboarding the right people to do the job, accomplishing the vision, and maintaining organizational standards. P4 indicated that it was a challenge getting the right and dedicated people to work with who can run with the vision and people who have integrity. P17 echoed P4, stating, "The level of education of my staff makes it difficult for them to try out new things and be creative." P5 answered

As for the challenges, they are many. I think one of them is with the employees. The employees' understanding of working in Ghana is a different ball game altogether compared to outside of Ghana. The employee working for you thinks he or she is doing you a favor. For that matter, when they came to work, you can give them whatever training, but they will only do what they have in mind. And sometimes, you keep sacking them only to realize that they are all the same. I think it is a national problem. Sometimes, if you are not careful, they label you the manager as someone who only sacks people. Meanwhile, you want to uphold a standard and they don't care about that. They want to do things their own way. They don't listen. Well, so far, I think this is one of the challenges.

Another important challenge highlighted the frustrations of leaders who are not owners of their organizations and who have to report to the owners. P14 expressed that it was a challenge assuming the peculiar position of middleman between the owners and employees. This position makes it difficult to take decisions and implement policies.

### **Theme 3: Perceptions of Leader Skills That Encourage Innovation**

This theme illuminated participants' perceptions of the skills a leader should possess to effectively harness organizational innovative capabilities and compete globally. Putting a team together is an essential part of accomplishing organizational goals. P14 stated,

The first skill is the ability to put a team in place to solve a problem. You need to put the right team together to get the right results. You also have to understand their field and place them where they can be most effective.

Effective leader–member relations are predicated by effective leader–member exchanges and relationships. P5 explained,

Leader should be understanding, patient, team player, read and understand the employees to notice changes in their performance and help them with it. For instance, you might have someone who comes to work every day and they are hardworking but dull one day. You ask them, and they say nothing is wrong. You have to know them well to see there is something wrong with them. Especially with the women, sometimes they are afraid to tell you they are pregnant. What I do is that I tell them it is ok, and I assure them that they will not be sacked if they are pregnant provided, they can still work, and I try to move things around to give them a lighter schedule. I think this builds their trust and they are able to approach you.

P19 and P1 echoed P5 and added that a leader should be approachable, listen to workers, know the workers on a deeper level apart from work, and have a vision and direction. P1

stated that the “leader should be able to relate well with employees to make it easier to gather and share information. I think it also relates to transparency and openness from the employee to the leader.” P10 expressed that a leader should be open to suggestions without brushing them aside. People have different ways of seeing things, so if you are open to their ideas, it helps the creativity process.

#### **Theme 4: Perceptions of Leader Behavior that Empower Innovation**

This theme was derived from participants’ answers to the question on perceptions of the behaviors a leader should possess to empower and encourage innovative capabilities. Participants indicated that a leader should be able to analyze information, avoid premature evaluation, care for employees, communicate, delegate responsibilities, empower, encourage employees, be goal oriented, and be a firm decision maker. Other perceptions expressed were that a leader should be friendly, be hardworking, inspect employee work, and lead by example, network, respect opinions and ideas of others, share organizational values, and coach employees. P4 explained, “You have to be an example. You don’t say A and do B yourself.” P6 stated,

Patience is important. A leader should set a good example and be able to guide them and make sure the employees are not doing only what they want. You should be able to control the employees and also reward them when they do well.

Expanding on patience as a leadership behavior to encourage innovation, P17 explained that leaders should

be patient because they [employees] know very little of what you are doing.

Encourage them to try and not criticize them too much because once you criticize

them, they recoil and stop trying. You can only encourage innovation if you are willing to teach and train people and let them make mistakes and learn from it. All of this takes patience.

P14 shared that to motivate and empower employees,

A leader should have a multiplicity of behaviors—the way you act and think. You also have to be considerate and check on the well-being of the employees. It should not always be about their work only. Take interest in their whole life and what they are going through to help them do their best. The leader must also inspect what the people do.

#### **Theme 5: Establishing Organizational Vision and Purpose**

This theme illuminated how the participants articulate the organizational vision and purpose to employees in their organizations. Ninety percent of participants (18 participants) indicated that they establish the organizational vision through offer letters, employee orientations, and meetings to update employees from time to time and to make sure they are on track to achieving the goal. P4 and P7 did not have the vision written but communicated this to the most senior employee and relied on the senior employee to direct the others toward achieving the vision and purpose.

#### **Theme 6: Employee Dedication toward Achieving the Organizational Vision**

This theme illuminated employee efforts and contributions in achieving organizational goals. There were mixed responses to employee contributions toward achieving the goal. Sixty-five percent of the participants (P1, P2, P3, P8, P9, P11, P13, P14, P15, P16, P17, P18, and P19) expressed that their employees were excited and

willing to contribute to the goal. P18 noted that if the leader is able to create a vivid-enough vision, people will follow along. P15 discussed the importance of offering adequate rewards to get employees to achieve the goal:

The employees in Ghana cannot be bothered. They are only looking for their paycheck. I offer them an equity to feel part owners, so they care. If you offer them a vision of shared ownership, they behave differently. It is all about what you can give them.

P1 echoed P15:

I look at promptness and attitude to work; they do report to work on time, which is a good sign; they are highly motivated; they are paid well; we collect personal information from them to enable us assist them, which translates into their attitude and promptness to work.

Twenty-five percent of the participants (P4, P5, P10, P12, and P20) stated their employees contributed to achieving the organizational goals, but not consistently. P5 noted,

Well, some buy into vision and some do not. Some just come here for the money and those who want to work with you understand that this is where they want to be and where they get their daily bread and if they want to be a part of a bigger picture, they have to work hard to achieve the goal of the company.

Similarly, P12 stated,

In every human organization, you will find people who will rebel, but I have been lucky. Eighty percent of the time, they toe the line. If you work for someone, you have to do what they ask you to, not what you feel like.

P6 and P7 reported that their employees were apathetic toward achieving the goals because they were more interested in the income than the job.

### **Theme 7: Innovative Decision-making Process**

This theme described the process of making decisions about innovation in the participants' organizations. Participants described various approaches, which included the use of market research, attending chamber of commerce meetings, discussing ideas collectively with employees, and taking top-down decision approaches. P20 reported making the decision and telling the employees what to do because the employees do not have the technical knowledge and skills to inform the process. Ninety-five percent of the participants involved their participants in the decision-making process about innovation.

P5 described the process in the following way:

Normally with the decisions about innovation, I always consult with the staff. Especially in the catering industry, the wait staff are the main people driving what we do. If a customer comes and they are not well received, they won't come again, and in case of innovation, since they are with the customers and listen to them, they come to you and say, "Madam, this is what the customers say. Can we do this for them, or can we add this to the menu?" We discuss the feedback, considering whether or not it will be beneficial to both the customer and the business or profitable. If the answer is yes, then we take it on.

P14 described the innovation decision process as follows:

We discuss all ideas from the top to the bottom to see how it can be implemented, even if it is a new teaching approach to technical innovation. Even parents are included. We conduct PTA (parent–teacher association) meetings and workshops for parents to see the pros and cons. everyone is involved.

### **Theme 8: Global Competition**

This theme indicated how participants' organizations have fared with the advent of global competition. Participants expressed that since the world is a global village, whatever is done elsewhere affects them. P8 indicated that globalization has impacted the organization negatively:

Business is not good because of the import of cheap quality cars and low engines and when the parts are spoilt, they don't repair them. They look for secondhand parts. It is hurting us, and we might close down in the near future.

Other participants noted that globalization has increased the number of players in the market, exerting survival pressures on businesses. P10 explained that it is tough with a lot more designers in the market. Leaders must maintain standards to stay in the market. P2 echoed the sentiments of P10, noting,

We in Africa don't have the technology that the advanced countries have so we are found wanting but we try to employ the suggestions from within, so we are able to meet competition. One example is that we deal with a multinational company who require international standards for the products and services we

provide. Though we are financially constrained, we are able to meet those standards and improve our products overall.

### **Theme 9: Multiple Challenges Impacting Organizational Innovation**

This theme was derived from participants' descriptions of the challenges they faced regarding innovation in their organizations. P15 mentioned internal factors such as human resources thinking creatively and problem solving and external factors including political ones that affect the organization. P20 mentioned that the level of education of the employees was a challenge for innovation. P14, who was the owner and leader of a school, stated the challenges of innovation as follows:

It is mostly financial. We want to acquire new teaching equipment to be competitive but the cost of new technologies is expensive so we have to go slowly since you can't just increase the cost of education for parents to raise capital.

P12, who was also a leader of an educational institution, explained,

We have a lot of challenges. The community is not an up-market, so cash is a problem as you can't charge high fees. Also, the attitude of our stakeholders also affects us. Some of the stakeholders do not get it so when you try to implement things that do not favor them, they withdraw their children.

Other challenges identified by participants include leadership challenges and leadership acceptance of new ideas, as well as employee and stakeholder attitudes and resistance to change. P10 discussed the prohibitive costs of taxes and operation as the challenge affecting organizational challenge. P8 expressed that the government policy of

free trade has not been favorable as it led to the influx of cheap goods, which has driven their customers away.

### **Theme 10: Measures to Support Future Organizational Innovative Capabilities**

This theme was derived from the measures described by the participants that are in place to support their organizations' innovative capabilities for the future. Ten participants (50%) reported having processes in place, 20% of the participants reported they were in the process of putting in measures to ensure their organization's innovative capabilities for the future, and 30% of participants did not have any measures in place. The participants who responded as having measures in place to ensure the organizations' innovative capabilities into the future reported that they identify and coach other rising leaders in the organization, train their employees, have documented processes, and reward for innovative ideas.

P4, an owner of a food-processing company, reported having a measure in place and explained,

The quality. We don't compromise on the quality. At a point we wanted to massage the quality because of the costs of production but we decided to not to, but to rather keep the quality and increase the price a little.

P11 described his organization's plan for ensuring innovation in the future:

Currently, we document our processes so that we have consistency and continuity.

I hope in the future I can ensure that there is actual succession planning so that there is not a leadership void even when I am not here anymore.

P12 stated,

In this industry, the first thing you need is the infrastructure. So, you make sure all the extensions, beautifications, should be done and put in people you trust. Train them to take it up. Involve family. I train my children and let them know the processes and the decisions that have to be made so they can take over and for the system to run smoothly.

P5, a leader of a catering company, mentioned that leaders in her company were in the process of putting a plan in place and explained,

This question has been bothering me for a long time now. At times, with my little experience, I think we need to lay down the foundation for the future generation. This is the problem with the African proprietor. They go with their knowledge. I can tell you that we are in the process of laying that foundation and we want the legacy to continue even after the owner passes on.

P17 explained the case of those who do not have any measures in place and stated, “That is where the problem is. My own children are not interested, and the employees are only doing it for the money. The creativity is not there. That is the problem I face.” P8, the owner and leader of an automobile parts manufacturing company, echoed P17 and explained,

As mentioned before, business is going down. The government policy makes it difficult for us to get business. I think, unfortunately, I will have to close down the place if this continues, so I don’t have any plans of succession planning.

**Theme 11: Identifying Rising Leaders**

This theme describes how the participants identify rising leaders in their organizations. All 20 participants mentioned that they had processes for identifying rising leaders in their organization and described the process as identifying employees' ability to take on tasks and make autonomous decisions, the level of curiosity exhibited, and level of performance. Other criteria mentioned were the employees demonstrating organizational citizenship behavior, being people-oriented, being solution-oriented, taking initiative and responsibility, taking risks, being trainable, and being trustworthy. P2 identified rising leaders based on employees' ability to take responsibility for their work and take decisions without always needing a supervisor. P18 identified a rising leader as the person whom all employees go to if they need help.

P5 described the process of identifying a rising leader as follows:

Personally, I look at someone ready to use their own initiative without being told. Someone who can see a problem and have a solution and tell you, "Aunty, this thing, if we do it this way, it will be good." You can see that such a person, if you are not around, can work well on their own without being supervised because they have the intuition to do the right thing. Unlike some people whom you have to constantly remind to do things.

**Theme 12: Experiential Leadership Development and Training**

This theme illuminated how the participants developed leaders in their organizations. All 20 participants indicated that they train the employees and give them

additional responsibilities as part of the leadership development process. P12 described the process as follows:

Oh, I never rest on my laurels. I keep molding them and correcting them, being strict on them until they get it. I don't pamper the person. I involve them in everything I do, and I train them a lot, and if I have to move heaven to keep them, I will.

### **Summary**

Chapter 4 included a discussion on the procedural details of data collection, data coding, and data analysis and the results obtained based on the emergent themes from the data collected from the 20 participants. Participants provided detailed information about their experiences with the phenomenon, which led to an answer to the research question. This chapter also included information about the pilot study, the research setting, participant characteristics, and steps to adhering to ethical research processes as required by the IRB.

Chapter 5 includes the interpretations of the finding, limitations of the study, recommendation, implications, and conclusions.

## Chapter 5: Discussion, Conclusions, and Recommendations

The purpose of this phenomenological study was to explore and describe the lived experiences of leaders of SMEs in Ghana in leveraging organizational capabilities for innovation and competitiveness. Using the phenomenological design enabled me to understand the phenomenon under study through the perspectives and descriptions of those who have experienced it (Patton, 2015).

The study included 16 semistructured interview questions asked of 20 SME leaders in the Greater Accra region of Ghana. Data were collected through phone interviews. The participants were purposively selected for their experience with the phenomenon of SME leaders inspiring innovation and competition in the Greater Accra region. The rich data collected from participants were analyzed, which resulted in 12 emergent themes that illuminated the phenomenon.

The results of the study indicated that although participants were aware of the leadership behaviors to leverage organizational talents for creativity and innovation within their businesses, they have been unable to optimally leverage organizational talents for this purpose. The new knowledge gained from the study, based on the themes and discussions, identified the specific behavioral and skill inadequacies that inhibit optimal leveraging of organizational talents for creativity and innovation among SMEs in the Greater Accra region of Ghana. This new knowledge will help leaders of SMEs in Ghana (a) create enabling environments to intellectually stimulate their followers for creativity and innovation and to employ individualized consideration so that followers can learn, and contribute meaningfully to, organizational performance; (b) craft and

consistently share the organization's vision and purpose; (c) model acceptable behaviors for their followers to emulate. The new knowledge will lead to the creation and maintenance of innovative and creative SMEs that are able to respond to, compete in, and survive the challenges of global business.

In this chapter, I explicate the findings of the study through the themes that emerged from the data. The findings illuminated the understanding of SME leaders' behaviors and skills in inspiring innovation and competitiveness in the Greater Accra region. The findings could be beneficial to SME leaders who want to inspire innovation and competitiveness in their organizations.

### **Interpretation of Findings**

The findings validate findings identified in the literature review in Chapter 2. Topics discussed in this chapter include leader behavior and skills that inspire innovation, leadership styles, and leadership identification and development. Additional topics are organizational vision and purpose and ensuring the gains of innovation and competition for the future.

### **Transformational Leadership**

The study was guided by the transformational leadership framework. The literature review showed that transformational leadership is effective for organizational outcomes by positively influencing employee perceptions of their work environment and commitment (Dunne et al., 2016). The research conducted demonstrated that the leaders of SMEs in the Greater Accra region have not fully understood the potential breadth and depth impact of transformational leadership on their organizations, as evident in the

diverse leadership styles they exhibit and the resultant employee commitment and performance. The leaders communicated their organizational vision but were unable to fully motivate their employees to achieve these visions. The leaders also had systems in place to identify leaders but did not provide adequate opportunities for intellectual stimulation for the employees to make needed decisions about innovation. To align the organizational goals to the complex realities of globalization, transformational leadership is necessary to influence and develop followers' leadership capabilities and extraordinary performance (Indrawati, 2014).

### **Establishing Organizational Vision and Purpose**

Leaders are responsible for establishing and articulating clear and unified visions and purposes and for encouraging others to transcend individual pursuits for organizational growth (Choi, S. B., Kim, K., Ullah, S. M. E., & Kang, S.-W., 2016). Participants were aware of the need to establish clear organizational vision and purpose to direct the operations of their organization. Ninety percent of the participants established and communicated their organizational visions to employees through offer letters at the inception of employment, and 10% communicated this information informally by reminding employees periodically. The periodic and infrequent reminders of the organizational vision and purpose could be detrimental to attempts to arouse excitement about attaining the organizational vision. Of the 90% of participants who reported establishing a vision, only 65% expressed that their employees were excited and committed to attaining the vision and purpose. Nyukorong and Quisenberry (2016) noted that followers align their subjective goals to organizational goals when leaders exhibit

personal integrity, big-picture mentality, a clear vision, and caring for others. There is a need for leaders to communicate optimistically about achieving these visions and goals and to model appropriate behaviors for the employees to follow to attain these goals (Tajasom, Hung, Nikbin, &Hyun, 2015).

### **Diverse Leadership Styles**

I found out that leaders of SMEs in the Greater Accra region use diverse leadership styles to inspire innovation and competition in their organizations. The diverse leadership styles yielded diverse outcomes in employee commitments and contributions toward achieving the organizational goal. The leaders who described their leadership style as approachable, inclusive and involving everyone also reported that their employees were committed to achieving the organizational goal by reporting to work on time and doing their best. Eighty percent of the participants described their leadership styles as being inclusive, accepting of the diverse views and contributions of everyone, fair, reasonable, and understanding. These participants also reported that the employees are loyal and dedicated to achieving the organizational goal through punctuality, commitment to their duties, and showing innovation in resolving problems in the organization. Five percent of the participants described their leadership styles as autocratic, results focused, and preferring to tell employees what to do. The same 5% also reported a lack of creativity and innovation in their organization. This finding confirmed the findings in the literature that indicated leadership style influences followers' attitudinal and behavioral work outcomes, such as work performance, innovation, job satisfaction, and commitment to the organization (Alkahtani, 2016; Chandra & Priyono,

2016; Haghghi, 2016; Le & Lei, 2017). Leadership styles akin to transformational leadership lead to employee independence, responsibility, ownership, a commitment to organizational goals, and a culture that supports innovation to grow and contribute to the future success of the organization (Boer et al., 2016; Li et al., 2018).

### **Leader Behaviors and Skills That Encourage and Empower Innovation**

The participants were aware of the behaviors that empower and encourage innovation in an organization. Participants listed the abilities putting teams together, having a vision, having a purpose, and being focused. For instance, P5 stated, “A leader should be understanding, patient, team player, read and understand the employees to notice changes in their performance and help them with it.” P1 shared, “A leader should be able to relate well with employees to make it easier to gather and share information. I think it also relates to transparency and openness from the employee to the leader.” P10 answered, “A leader should be open to suggestions without brushing it aside. People have different ways of seeing things, so if you are open to their ideas, it helps the creativity process.” As found in the literature review, Shin et al. (2017) expressed that leaders perceive their role as an adaptive resource willing to assume varied roles (teacher, decision maker, coach, facilitator, or supporter), depending on the needs of the employees to be successful in their roles.

### **Leadership Identification and Development**

It is the responsibility of leaders to develop rising leaders in their organizations. One hundred percent of the participants had processes in place for identifying and developing rising leaders in their organizations. The participants gauged employees' level

of curiosity, commitment to the job, performance, initiative, and ability to take risks as indicators of readiness for leadership. Though participants reported that they trained and gave employees more responsibility as part of the development process, the participants were not comfortable with letting the employees make decisions about innovation. P15 was hesitant to let employees make decisions about creativity because he felt employees are unable to think creatively and solve problems. P20 preferred to make decisions about innovation without the employees because of “the level of education of the employees.” This finding confirmed that the SME leaders did not have effective systems and leadership to leverage the innovative capacity within their organizations for competition and survival, as noted by Ebodaghe and Shobayo (2017), Forkuoh et al. (2012), and Oladimeji et al. (2015) as the leaders feel employees are incapable to contribute toward organizational growth based on their experience and expertise.

### **Leadership Challenges**

The participants identified communication as a leadership challenge they face in their organizations. Communication within an organization is critical for sharing the vision, information, and knowledge and for attaining organizational goals (Bell & Martin, 2014). Though the leaders made efforts to communicate, their efforts were inconsistent and lacked channels and loops of feedback. The gaps in communication lead to goals not attained, lack of direction, and conflicts between owners and employees and among employees. The issues identified as a result of ineffective communication confirm Eisenberg et al.’s (2015) supplication that without visible lines of communication, it is difficult for leaders to develop feedback loops to estimate the extent to which their

messages of change and purpose and organizational direction have permeated the organization.

Participants further identified the difficulty of onboarding the right people in their organizations. P6 stated that it was “difficult to find good and trustworthy people to work with,” and P5 stated that it “sometimes the employees think they are doing you a favor by coming to work.” These sentiments were expressed by 70% of the participants. It was enlightening to know that the leaders were willing to build social capital with their employees by offering training, coaching, reestablishing norms and appropriate behavior, and rewarding the employees for attaining these milestones. This finding served to confirm the findings of Feldman (2018), who noted that developing and sustaining high-performing teams was dependent on the behavioral and leadership capabilities of the leader in identifying the right people, executing an organizational vision, and coaching employees to execute and consistently attain goals.

Quaye et al. (2014) espoused that about 98% of SMEs lack access to formal financing. Participants reported financial constraints as one of the challenges they face in leading their organizations. Leaders of financial institutions remain skeptical about extending credit to businesses considered at high risk due to their small portfolios and high transaction costs. Other factors such as high interest rates, gaps in the financial system, high collateral requirements, and lack of experience with financial intermediaries remain impediments to the growth and survival of small businesses in Accra.

## **Innovation and Global Competition**

The participants' efforts toward innovation were limited by a lack of knowledge of new technologies, increasing customer demands, the low education levels of their human resources, and their ability to think creatively. Some participants reported they had not been affected by global competition. A lack of knowledge regarding global and competitive markets results in leaders' inability to assess and analyze information and the resources required to compete (Swoboda et al., 2015). Further, a lack of knowledge of such markets can result in a lack of understanding of customer demands and ineffective relationships with suppliers and customers, which weakens their competitive position (Swoboda et al., 2015).

The results of the study also revealed that globalization has exerted survival pressures on businesses, and business leaders must meet the demands of external customers to remain viable. Mensah (2012) explained that lack of international exposure, infrastructure problems, and limited international marketing experience limit SMEs' contributions and participation in the global market. Mensah's (2012) explanation was confirmed by P10, who stated, "We in Africa don't have the technology that the advanced countries have so we are found wanting." It was also evident in the literature reviewed that leaders of SMEs in Ghana are slow to adopt new technologies due to a lack of information, finances, and technological savvy (Quaye et al., 2014). This assertion was confirmed by P20, who noted, "We want to acquire new teaching equipment to be competitive, but the costs of new technologies is expensive, so we have to go slowly." Additionally, the government's expectation of trade liberalization was to promote

prosperity and growth for SMEs, but trade liberalization exposed SMEs to greater external competition (Ocloo, Akaba, & Worwui-Brown, 2014). Some participants expressed that the government's trade liberalization policy has affected them negatively. For example, P8 stated, "Business is not good because of the import of cheap quality cars and low engines and when the parts are spoilt, they don't repair them. It is hurting us, and we might close down in the near future."

### **Measures to Support Future Organizational Innovative Capabilities**

The need to create value and sustain capacity over time is increasingly important to organizations to sustain a competitive edge for the future (Chew & Dovey, 2014). The literature on SMEs in Ghana revealed that only 40% of all SMEs established in Ghana survive beyond 5 years after inception (Amoako, 2013; Kusi et al., 2015). The essence of sustainability is to be forward thinking about changes in markets, skills, and industry fundamentals and to convert these changes and threats into opportunities by deploying the requisite assets, knowledge, resources, human capital, and relationships agilely (Sangari & Razmi, 2015).

The results from the study revealed that only 50% of the participants had processes in place to ensure their organizations survive into the future. The participants ensured future sustainability by identifying, training, and coaching rising leaders in the organizations, rewarding for innovative ideas, and documenting processes. The rest of the participants did not have any processes in place for the future.

The lack of preparation for future success is common to SMEs whose leaders embody the knowledge and capital of running the business, and unfortunately the

businesses cease to exist when the leaders decide to retire or are deceased. Some participants expressed that they do not trust their employees to take over or that the employees themselves were not willing to step into the roles of leadership to ensure continuity. Other participants who did not have a plan in place for the future explained that they were in business to earn income and provide for their children, and once that obligation was fulfilled, there was no need for the business to continue. Bendell et al. noted (2017) that some leadership characteristics and beliefs are based on the erroneous notion that organizational purpose should benefit employers solely and that only leaders are responsible for organization change. The role of leadership in building sustainable and resilient organizations is to deploy the requisite assets, knowledge, resources, human capital, and relationships agilely (Sangari & Razmi, 2015), adapt to new and transformative business realities, and empower followers to do the same (Szczepeńska-Woszczyńska & Kurowska-Pysz, 2016).

### **Limitations of the Study**

The data collection method, sample size, and issues of trustworthiness were limitations to the study. The data collection method was interviews with semistructured interview questions used to collect information on the perceptions and experiences of participants regarding the phenomenon. Although this method ensures the collection of rich information (Maxwell, 2013), it also creates room for participant bias, and the participants might have exaggerated their leadership experiences or understated the leadership challenges they faced in their organization.

The sample size was also a limitation of the study. I examined the lived experiences of 20 SME leaders in the Greater Accra region of Ghana in inspiring innovation and competition within their organizations. The sample size was appropriate for a phenomenological study, and I was able to reach data saturation by the 20th interview; however, only the perceptions and experiences of SME leaders in the Greater Accra region were captured, instead of the perceptions and experiences of SME leaders from all 16 regions in Ghana.

The final limitation pertained to researcher bias, as I was the sole researcher, transcriber, and analyst. This concern was alleviated through member checking. I e-mailed the transcribed interview to each participant to ensure I had accurately captured all participants' experiences. The use of NVivo software in the data analysis processes further reduced the concern of researcher bias.

### **Recommendations**

The purpose of this qualitative descriptive phenomenological study was to explore and describe the lived experiences of leaders of SMEs in Accra, Ghana, and how they inspire innovation and competitiveness in their organizations. The study revealed the leadership behaviors and skills that are necessary to inspire innovation and to identify, develop, and ensure the organizational gains of innovation and competition for the future within SMEs in the Greater Accra region. The participants recommended leadership training, improved access to finance and new technologies, and improvements in educational institutions to foster creativity among students to improve competitive

standing. The following are the recommendations I developed for practice and future study based on the scope of this study.

Some participants revealed that their employees were not enthused about achieving the organizational goal, despite the fact that the participants provided training and enabling environments for the employees. The first recommendation based on this finding is to conduct a phenomenological study involving both leaders and employees of SMEs to determine insights regarding how they perceive and experience leadership that inspires innovation and competition in their SMEs. Gaining such insight might afford congruent perspectives and realities of inspiring innovation and attaining organizational goals.

I also recommend conducting a mixed method research study to include SME leaders in all 16 regions in Ghana. This study was limited by the scope and number of participants. Expanding the design will increase the participant size and scope, which could lead to additional insights and findings that could be generalized to all SMEs in Ghana.

Experiences and perceptions shared by the study participants indicated that the participants were aware that effective leadership is pivotal for SME growth and sustainability in the Greater Accra region of Ghana. The participants mentioned that they periodically received training from the chamber of commerce. I recommend that this training for SME leaders include transformational leadership training so the leaders can understand its implications on their businesses and transformative effects of followers. Leaders of SMEs in the Greater Accra region could raise the levels of innovation,

competition, and sustainability within their organizations using the four I's of transformational leadership: idealized influence, inspired motivation, intellectual stimulation, and individualized consideration.

Based on the finding that participants' efforts at innovation were limited by the lack of knowledge of new technologies, increasing customer demands, the educational level of their human resources, and their inability to think creatively, I recommend further training for leaders on the effects of globalization, understanding international markets, and changing customer demands. This knowledge could improve their understanding of the market and changing customer demands. This knowledge can also help leaders of SMEs in the Greater Accra region of Ghana to build effective relationships with suppliers and customers to strengthen competitive position.

The final recommendation for this study is that the leaders of SMEs in the Greater Accra region need to establish formal channels of information and knowledge sharing in their organizations. Learning within organizations empowers and engages the cross-functional and dynamic flow of information and intelligence and challenges the status quo that stagnates organizations. As revealed during the study, most of the leaders who are also owners of their organizations are the embodiment of knowledge of running the business. This knowledge is shared tacitly. Establishing formal channels of knowledge and information sharing can help to ensure employees are able to share new information they glean about their industry; can serve as a form of training for new employees; and can ensure appropriate documentation for innovation, quality, and sustainability of the organization, even after the owner ceases to exist.

### **Implications**

The significance of the study is the awareness brought to the leadership behaviors and skills required to inspire innovation and competitiveness among leaders of SMEs in the Greater Accra region of Ghana. The new information gathered, and the new insights gained, might help address the behavioral gaps in transformational leadership that impede the innovation and competition of Ghanaian SMEs on the local and global level and further ensure their longevity and sustenance. This study has the potential to effect positive social change in business and academia, in the national economy, and perhaps across other industries through the new knowledge gained on the ideal leadership behaviors to improve organizational performance and sustenance in a constantly changing global environment.

### **Significance to Theory**

Researchers of prior studies on SME performance in Ghana examined access to, and the lack of, capital and resources. The focus of this study was that leaders of Ghanaian SMEs do not have a system in place to lead and promote effective behaviors, attitudes, and attributes to leverage innovative capacity within their organizations to compete effectively and contribute optimally to the local and global economy (Ebodaghe & Shobayo, 2017; Forkuoh et al., 2012; Oladimeji et al., 2015). Bass (1985) posited that transformational leaders achieve their goals through four constructs: (a) idealized influence, (b) inspirational motivation, (c) intellectual stimulation, and (d) individualized consideration. Leaders employ idealized influence by modeling acceptable behaviors such as trust, ethical commitment, value, and a sense of purpose, loyalty, and confidence

for their followers. Leaders use inspirational motivation to articulate clear, enthusiastic, and optimistically collective visions, goals, and plans for attaining organizational goals. Leaders use intellectual stimulation to challenge the status quo and encourage followers to do the same, thereby fostering an environment for alternative perspectives that stimulates creative resolutions to organizational problems. The fourth construct of individualized consideration reflects leaders' ability to recognize the individual needs of followers by tailoring tasks to fit their skills; creating challenging working environments; and spurring growth through training, mentoring, and coaching.

Para-Gonzalez et al. (2018) ascertained the existence of a mediating relationship between transformational leadership and organizational performance, where transformational leadership styles improve organizational performance by enabling organizational learning and innovation culture. The findings of this study might extend the knowledge on how the four constructs of Bass's (1985) transformational leadership could culminate in the creation of enabling environments for creativity and innovation and in improved organizational performance within Ghanaian SMEs.

### **Significance to Practice**

This study on the efficacy of Ghana's business interests in the global economy involved addressing the general problem that leaders of Ghanaian SMEs do not have a system in place to lead and promote effective behaviors, attitudes, and attributes to leverage the innovative capacity of their organizations to compete effectively and contribute optimally to the local and global economy. This study elucidated the current leadership behaviors of leaders of SMEs and how these behaviors have impacted their

organization's performance. This study is important to practice because it extends the knowledge of leadership behaviors that SME leaders in the Greater Accra region of Ghana can emulate to lead efficient, competitive, and sustainable organizations.

### **Significance to Social Change**

Social change means improving lives at the individual and collective level through activities such as service or education (Walden, 2014) on pertinent issues or causes. The significance of this study to social change is that it might lead to the adaptation of transformational leadership behaviors, including agility in operational and product response to business environment changes, organizational growth, and improved employment opportunities to alleviate poverty. Kusi et al. (2015) reported that only 40% of all SMEs established in Ghana survive beyond 5 years after inception. These failure rates translate into increased unemployment and poverty. The information gained may translate into successful and sustainable businesses that provide long-term employment for people, increase income, and reduce national poverty rates. This study also extends knowledge to SME leaders in Accra about the importance of transformational leadership in improving organizational performance. Further, this study creates the opportunity for educational institutions to educate students in Ghana about the contributions of transformational leadership to effecting change and adapting to the fluidity and complexity of business environments in the future.

### **Conclusions**

The purpose of this study was to explore and describe the lived experiences of leaders of SMEs in Ghana in leveraging organizational capabilities for innovation and

competitiveness. This was a qualitative research study with a descriptive phenomenological design. The study included 16 semistructured interview questions asked of 20 participants who were SME leaders in the Greater Accra region of Ghana.

The 12 emergent themes from the data described how participants leveraged innovation, competition, and sustainability within their organizations. The findings of the study indicated that leaders of SMEs in the Greater Accra region will require additional training on transformational leadership, knowledge of new technologies, globalization, and establishing formal channels of information sharing and learning to innovate, compete, and sustain. This study has the potential of effecting positive social change in business and academia, in the national economy, and perhaps across other industries through education about transformational leadership behaviors and skills that could create pathways for improved SME performance and sustenance in a constantly changing global environment.

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### Appendix A: Letter of Introduction and Recruitment

Hello, I am a doctoral student at Walden University inviting you to participate in my research about the effects of leadership on Ghanaian Small to Medium sized Enterprises (SMEs) capabilities to effectively innovate and compete in the global economy. The purpose of this study is to examine and describe the lived experiences of eight leaders of SMEs in Ghana, regarding leadership behaviors that inspire innovation and competitiveness.

Eligibility for participation in this study includes the following criteria: a) SME leader within the Accra and Tema Metropolis of Ghana; b) have been an SME leader for at least five years; c) your organization has at least five employees; and d) possessing knowledge regarding their experiences with the topic being studied. Therefore, I am reaching out to discern if you might have an interest in participating in the research.

The study is important as the findings might elucidate the leadership behaviors that spur organizational innovation that Ghanaian SME leaders might emulate and practice to lead efficient, competitive and sustainable organization. The social change impact of this study is that it might lead to the adaptation of transformational leadership behaviors to include agility in operational and product response to business environmental changes, organizational growth and improved employment opportunities to alleviate poverty.

If you would be interested in being a part of this study, please review and return the signed consent form attached to this email. If you would like to request additional information, you may reply to this email. Thank you in advance for your consideration.

Respectfully,

Sandra Dankwa.

## Appendix B: Interview Protocol

### **Interviewees' Inclusion Criteria and Demographics**

Are you a leader of a Small and Medium Enterprise in Ghana?

How many employees do you have in your organization?

What industry is your business in?

Where is your business located?

How long have you been a leader in this organization?

How many years of leadership experience do you have?

What is your gender?

**RQ: How do leaders of SMEs in Ghana describe their leadership experiences in leveraging their organizational capacities for innovation and sustaining global competitiveness?**

1. How will you describe your leadership style?
2. Describe how you articulate the organizational vision and purpose to your employees
3. How will you describe employee attitudes towards achieving the organizational vision?
4. What are employee contributions to achieving organizational goals?
5. How are innovative decisions made in your organization?
6. How will you describe your organizational capability to create wealth and compete globally?
7. How has your organization fared with the advent of global competition?

8. What will you describe as the challenges that impact your organization's efforts of innovation?
9. What will you describe as the leadership challenges in your organization?
10. What leadership skills and resources do you think can help address these challenges?
11. What are your perceptions regarding the skills a leader should possess to effectively harness organizational innovative capabilities and competing globally?
12. What are your perceptions regarding the behaviors a leader should possess to empower and encourage innovative capabilities?
13. What processes do you have in place for learning and information sharing in your organization?
14. How do you identify a leader in your organization?
15. How do you develop leaders in your organization?
16. What measures do you have in place to support your organizations' innovative capabilities for the future?