

Impact of innovative leadership in achieving sustainable development goals: a study conducted among selected small-scale industry units in Kerala, India

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Abstract. Innovation leadership is the capability of a leader to fill inspiration towards the prolific action in himself and the people around him during times of creation as well as innovation of new ideas. Innovative leaders are creative visionaries with big dreams and creative ideas and, most importantly, can inspire people around them to turn those visions and ideas into reality. Sustainable development delivers on the idea of fulfilling business goals without compromising on the resources needed for future generations. It merely focuses on the extension of resources the long-term future needs. Balancing these two concepts is vital, as there will be no social, human, and cultural development without proper leadership guidance. This study aims to draw a clear picture of the impact of innovative leadership on the firm's success and the attainment of sustainable development goals. Selected registered Small scale industry units from the State of Kerala in India are taken as the sample units of this research. This study reveals that innovative leadership is closely related to sustainability and the firm's success. This study will serve as a guideline for future researchers in the area of innovative leadership.

Keywords: Innovative Leadership, Environment Social Governance, Sustainable Development Goals, Business Success, Small scale industry unit

1. Introduction

The enhancement of the current environment and resources businesses in such a way that they meet current needs while not compromising the ability of future generations to meet theirs is known as sustainable development. And confront the world with the truth of environmental degradation, which must be addressed while maintaining economic prosperity, equality, and social justice [1, 3]. Sustainable development includes better living conditions for all while not exceeding the potential of the world's natural resources, as well as sustainability in the three key areas of economic growth, conservation and development, and social development. Leadership is important to management, and it plays a more

important role in emphasizing management benefits other than anything else. Leadership is about integrating organizational, personal, and social development structures [15].

Leadership is the systematic ability of an individual to influence and motivate a group of people toward the achievement of certain goals ensuring the fulfillment of the goals in a well-directed manner. If we look at the difficulties, we find that leadership does not go beyond that, which has confirmed all modern beliefs of effective leadership of productive leadership [10, 11, 14]. Working with a cooperative commander plays an important role in producing people to work with. Therefore, we find that a leader has a responsibility to achieve efficiency with great power and low cost. Therefore, we can emphasize the importance of learning how leadership patterns work and how they work with their subordinates, where the regulator is critical to the success of leadership and institutional failure [6, 7, 9].

In line with the growing social, environmental, and economic challenges, which are already an important part of society and the economy throughout the organization, it is believed that businesses always have a leading role in transforming society into a sustainable future. The economies of both developed and developing countries depend largely on the activities of small businesses [5, 2, 16, 18, 19]. Small-scale industries also play a major role in terms of sustainable development. The role and relationship between leadership and sustainable development in liberating social, human, and cultural values are based on communication, collaboration, and human resources to achieve human and material goals. This study aims to link innovation's leadership as it plays a key role in improving the competitiveness of small-scale industries, and the skills, in particular, of its management as they play a key role in promoting sustainable development; its aim is to improve their competitiveness [4, 17, 18, 19]. The main objectives of this study were to determine whether the types of organizations have an impact on the company's development activities. Identifying whether leadership contributes to the stability of the organization and whether strong performance is affected by the new leadership qualities of a manager. A lot of research has not been done in this area of research and especially to link leadership and organizational success with sustainable development in small industries in Kerala. This study will provide a clear vision of the role of leadership in implementing sustainable development policies in organizations that aim to maximize profits [8, 13].

2. Research Methods

The mode of research deals with the review of scientific textbooks and direct data collection using structured questionnaires. A limited sample of the analysis contains company representatives (SSIs) located in 14 districts of Kerala. Randomly selected companies in the sample are factory managers. A total of 154 businesses were involved, including 11 from each region. A total of 140 well-completed questions were received by respondents omitting others who failed to answer the questionnaire. The study was based on a sample, and a random sample was used. Data were collected between May and June 2021.

The variance was measured on a Likert scale of five points, with five indicating a high agreement and one indicating no agreement. In addition to human data, the questionnaire contains questions about the key factors in Sustainability of a corporate business and the role of manager leadership in the sustainable development of the company [12, 17, 18, 19]. The analysis was performed using mathematical interpretation in the sample and in the calculations, which included the performance of the results obtained from the mathematical sample. In terms of mathematical calculations, informal statistical tests have been used: (1) Spearman's consistency measure to assess the existence of statistical relationships between variables, (2) independent chi-square test to assess the statistically significant relationship between the two variables. (3) Descriptive analysis is performed to look at the contribution of various factors. Calculations were made using IBM SPSS 23.0.

3. Result and Discussions

The reliability of the data has been checked using Cronbach's Alpha analysis and has been found to be greater than 0.7 and is proven reliable for the study. The enterprises have been divided into three types based on their operations: manufacturing/production, ancillary, and service industry. The percentage analysis of the demographic profile was carried out and explained as mentioned in Table 3.

Table 1. Analysis of demographic variables.

Content	Factors	Percentage (%)
Gender	Male	68
	Female	32
Age	18-24	10
	25-34	46
	35-44	20
Education	Above 44	24
	Up to UG level	12
	UG	40
Experience	PG	48
	Below five years	22
	5-10 years	49
Type of SSI	Above ten years	29
	Manufacturing	42
	Ancillary	22
The sustainable policy pursued in the firm	Service	36
	Yes	79
Leadership qualities motivate business performance	No	21
	Yes	89
Leadership is vital in bringing sustainable goal achievement	No	11
	Yes	82
	No	18

The majority of the respondents who contributed to this study were male (68%), and most (46%) of the managers were between the age group of 25-34. Most of the respondents have post-graduation as their educational qualification (48%) and work experience of between 5-10 years (49%). Among the type of industry, the majority (42%) of the data are collected from the manufacturing sector.

Table 2. Relationship between actions in the area of sustainable business and the type of the Small scale industry using the chi-square test (P value).

Statements	Chi-square value(p value)	Interpretation
The acceptance of external stakeholders	0.03	Significant relationship exists
The acceptance of employees	0.012	Significant relationship exists
Conviction of individual departments, teams (within the firm)	0.023	Significant relationship exists
Significance financial resources	0.01	Significant relationship exists
Adoption of visionary strategy for sustainable development of the firm	0.000	Significant relationship exists
Conviction of the owner/managers for sustainable business development	0.001	Significant relationship exists

The major types of small-scale industry units are manufacturing/ production, ancillary, and service sectors. By using chi-square analysis, it was tried by the researcher identified whether any relationship exists between the type of business and the various actions taken for sustainable business by the firms. The test found that all the factors have a significant relationship between their actions and the type of SSI units for sustainable development goals.

Table 3. Correlation between the leadership abilities and the sustainable development pursued in the organization.

Statements	Spearman's correl. value	Sig. (1-tailed)	N	Inference
Recognize and evaluate the key aspects of sustainable development	0.589	.000	140	Strong positive correlation and significance between variables
The socially responsible and understanding idea of sustainable business	0.461	.002	140	positive correlation and significance between variables
Action as the payback for the communities supporting the firm	0.678	.021	140	Strong positive correlation and significance between variables
The company has talent management programs to bring Innovation	0.323	.000	140	Positive correlation and significance between variables
The company is operating in the field of sustainable business	0.780	.000	140	Very-strong positive correlation & significance between variables
Active involvement in the field of sustainable business operations of the firm	0.656	.000	140	Strong positive correlation and significance between variables
My organization takes initiatives for sustainable development	0.765	.000	140	Strong positive correlation and significance between variables
Leadership is an element for safeguarding the values of the stakeholders	0.541	.002	140	positive correlation and significance between variables
I encourage my subordinates to make decisions in favor of sustainable development goals	0.697	.021	140	Strong positive correlation and significance between variables

While using descriptive analysis, the researcher found that most (79%) of the respondents have the opinion that sustainable development actions are taking place in their organization, and 82% of them think that leadership is a vital factor in bringing sustainable development to the firm. To further strengthen this finding, the researcher conducted a spearman rank correlation analysis between the sustainable actions in the firm and the leadership qualities. It was found that the variables have a healthy correlation and a significant relationship between them.

By using descriptive analysis, the researcher found that most (88%) of the respondents have the opinion that leadership qualities influence the performance of the business. To bring further clarity to this finding, the researcher conducted a chi-square test between the performance of the firm and leadership qualities. It was found the variables have a significant relationship between them.

Since leadership qualities are considered to be having a major impact on firm performance, the researchers tried to measure whether any relationship status exists among these variables in the study. For this purpose, a chi-square analysis has been done by the researchers.

Table 4. Chi-square analysis: Leadership qualities and firm performance.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.031 ^a	8	.000
Likelihood Ratio	12.012	8	.001
Linear-by-Linear Association	3.577	1	.001
N of Valid Cases	140		

H₀: There is no significant association between Leadership qualities and firm performance.

H₁: There is a significant association between Leadership qualities and firm performance.

With a 5% significance level and degrees of freedom 8, it was noticed that the significance value is less than 0.05. Since the e value of $P < 0.05$, we reject the null hypothesis and accept the alternative hypothesis. So we can infer that there exists a relationship between leadership qualities and firm performance in our study. Based on this finding, we can conclude that leaders and their leadership qualities are vital for any organization to raise their performance.

4. Conclusion

Based on this research, it is clear that most managers have an awareness of the need and conceptual theory of sustainable business progression to a great extent, recognize the actions associated with this concept and apply possible solutions. Research shows that according to management, sustainable development can be the key to a successful company's future. Managers want to know about the actions being taken, and it is important for them that the decisions they make are in line with their values. This allows for the performance of management functions. The law defines not only the standard of what is considered acceptable in the business but also the broader expectations of society. As a result, leaders must make decisions that reflect not only traditional thinking but also moral values. Saving future resources is a vigilant and ethical step toward our humanity. The future implications of the study can be carried out in medium-scale and large-scale industries, and also the study can also be extended to other states in India in order to build an organization capable of achieving effective and sustainable development.

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