The Role of Strategic Leadership in Organizational Development

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Abstract

The widely admissible phrase that everything rises and falls on leadership is true of every entity, but more attention today should be given to how strategic is that leadership. While leadership may be generic, drawing a distinction between ordinary leadership and strategic leadership may just prove to be the difference between high impact organizations and stagnant ones. Theories in contemporary literature regarding strategic leadership support the idea that strategic leadership has a significant impact on the decision-making process and thus facilitates the organization to implement effective strategies designed for optimum performance. The main purpose of this paper is to examine strategic leadership, with a focus on implementing strategy for organizational development. It builds upon the understanding of how strategic leadership becomes the process of transforming organizations into a successful firm through the high level and timely strategies. The study was conducted by means of a qualitative mode of inquiry using informant and in-depth interviews directed purposely to the lower and middle management levels of leadership as well as those closest to the leader in their organization. The study finds that strategic leaders contribute to organizational development through the input of capacity, dynamism, effectiveness, management abilities and problem solving. These are applied to the environment in which organization operates and constantly develops strategies for each situation. The study also confirms that strategic leaders are builders of organizations, and that strategic leadership is oriented towards assimilation of workable and timely tested strategies and are designed to overcome organizational limitations. Both leaders and firms will have to recognize and learn from the fundamentals of strategic leadership.

Keywords: Strategic Leadership; Organizational Development; Strategic.
1. Introduction

With the increase in technology and the expansion of the information age, firms or organizations must learn to compete effectively as well as adjust to the ever-changing business world. The rise of Asian business superpowers, and the shifts of dynamics in organizational practices means that organizations need experienced and strategic people with well-developed strategies and indeed strong in business passion to complete and grow their organizations. Understanding the role of strategic leadership is critical to organizational development. According to [23], leadership is a key determinant of organizational performance and that leaders make a difference. The key question that should be drawn is how different strategic leadership from ordinary leadership in the context of organizational development is. Jaleha and Machuki [1] remarks that Effective strategic leadership is considered as a major ingredient for the successful performance of any organization operating in the ever dynamic and complex environment of the 21st century. Organizational development refers to the financial, product market and shareholder return, while organizational effectiveness includes both the financial indicators as well as the wider nonfinancial indicators such as, customer satisfaction, operations effectiveness, and corporate social responsibility [29]. It’s also defined as a set of financial and non-financial constructs that enable strategic leadership to evaluate the extent of the accomplishment of organizational goals [26]. Organizational development linked to strategic leadership means the values attached to the abilities and all the energies that strategic leaders use to drive organizational success. This idea agrees with [21] who conceptually accepted and empirically validated the definition of strategic leadership that’s based on the unique abilities of anticipating, envisioning, maintaining flexibility, thinking strategically and empowering employees to create new inventions that lead to organizational transformations or changes and ultimately improvement.

1.1 Comprehending Strategic Leadership

According to [22], Strategic Leadership is “the managerial ability to anticipate, envision, maintain flexibility, and empower others to create strategic change as necessary”. What strategic leadership does is that it involves taking a series of strategic decisions (contrary to day-to-day imperatives) that are aimed at taking the organization to a place where growth and development meet. In the words of Jacobs [32], the path to strategic leadership resembles the building of a pyramid where he remarked that shortcuts do not exist, and one can’t start at the top. Jacobs [32] further advises that strategic leaders gradually build wisdom, defined as acquiring experiences over time. Carter and Greer [27] view of strategic leadership is anchored on the thinking and visionary capabilities of strategic leadership whose aim is to create an organization that is transformative. [19] argue that strategic leadership is not only concerned with the possession of unique abilities that allows for the absorption and learning of new information and ideas but having the adaptive capacity to appropriately respond to the dynamism and complexity of the external environment. They further posit that such abilities allow strategic leaders to adjust the organization continuously and tactically in response to the uncertain environment. In the works of [3], a study on 296 business leaders concluded that strategic leaders proved to be a strategic force to attain sustainable competitive advantage. The capability-based theory suggests that a firm can achieve competitive advantage through-distinctive capabilities which are possessed by strategic leaders. It seems from this assertion that these leaders consider strategy as being aligned to strategic thinking and functions above and beyond the traditional view of strategy. This paper agrees with the version of [4,19,25,27] as they view strategy
and strategic planning as distinct concepts, and it emphasizes that strategy involves the development of a series of strategic processes that can ensure the effective development and deployment of strategy using appropriate strategic approaches. A review of the literature on the various definitions of strategic leadership reveals the different roles played and the unique capabilities strategic leadership possess for accomplishing organizational tasks that are beyond that of one individual, micro level, or what [14] refer to as heroic leadership.

Strategy qualifies to a framework to set future direction and action as well as a template against which to judge current activities. In contemporary literature it is harder to define the entire scope of strategic leadership as it is a widespread and difficult concept. Supporting the works of several researchers [18,28,32,36], this type of leadership involves microscopic perceptions and macroscopic expectations, and it extends to more complex reflective decisions and works with a strategy whose aim is to link ends, ways, and means. [28] remarks that the difficult part of strategic leadership involves the thinking required to develop the plan based on uncertain, ambiguous, complex, or volatile knowledge, information, and data. Strategic leaders don’t just do things but make decisions across different cultural orientations, agencies, agendas, personalities, and aspirations. Evidence from literature [6, 18, 28] all charges those strategic leaders bring ends, ways, and means together and ensures that they apply the most productive and effective means of developing organizations. This also means that skills for leading at the strategic level are more complex than those for leading at the tactical and operational levels. Within the strategic environment, strategic leaders must consider many factors and actors. Personnel who desire to be strategic leaders must carefully understand organizational strategy and the risks involved. It can be as challenge they fail to understand the setting and operating environment of the firm. Thus, [35] remarks that a Strategic Leader is relatively rare. Thus, the context of strategic leadership is voluminous and is based on high level tactics and strategies. Researchers [22,2] identify several overlapping and interlinked activities that effective strategic leaders and top management teams focus on. These are determining Strategic Direction, strategy formulation and implementation. In [9, p. 67] terms, they were able not only to “see ahead” but also to “see it through. The core purpose of strategic leadership theory and research is to understand how much influence top executives have over performance [29]. Empirical and conceptual studies have shown that strategic leadership actions significantly influence performance [ 31, 21].

1.3 The case for strategic Leadership and Organization development

Reference [15] contends that successful strategic leadership practices will help a business boost productivity when operating in unstable and unpredictable markets. Reference [16] also advises that strategic leadership is the mechanism by which firms exploit their current competitive advantages while still searching for new opportunities. Unfortunately, other studies [17, 25, 36] conclude that their actions are impeded by situational constraints, inertia, or random effects, such that they don’t have much leeway over performance. These conflicting findings indicate either a lack of evidence in establishing a direct link between strategic leadership and performance or of the many confounding variables that make it difficult to demonstrate a clear cause and effect [8]. Quigley and Hambrick [30] explains that there is need to agree on the operationalization of relative conditions strategic leaders face. Other scholars [8, 30, 12, 22] have argued that methodological and statistical limitations, unavailability of relevant control variables and contexts have systematically undermined the effect of strategic leadership on performance. The position of several scholars [4,13,21,37] supports the understanding
that an organization’s strategic leadership as they engage in organizational change have a profound influence on performance. Evidence suggests that effective strategic leadership is at the core of creating a sustainable competitive advantage in rapidly changing organizations [1, 5, 10]. Strategic leadership has a greater capacity to implement organizational development and bring about long-term performance. Other studies show that different types of strategic leadership behaviors are associated with various organizational changes and performance levels [12, 18, 25]. Reference [28] extends the argument that when organizational change is hastily implemented, performance can be negatively affected. The most recent studies on the influence of strategic leadership on performance suggest that it is substantial [31]. This assertion makes it crucial and critical for researchers to determine the essential strategic leadership attributes or practices that will lead to high levels of performance [12, 26]. Unfortunately, due to organizational and environmental constraints, studies [17, 30] have demonstrated that on average, strategic leadership has limited leverage on performance A possible explanation for these empirical gaps could be how strategic leadership and performance have been conceptualized and measured considering the probable intermediate effects of the mediating variable. Reference [1] points to the external environment the main force that plays a crucial role in influencing performance. It is the entire of all the physical and social factors external to the organization which are directly considered when managers are making decisions in the organization [22]. Most empirical studies have explored and established a positive relationship between the external environment and performance while a few suggest it’s a very minimal relationship [34]. The inconclusive nature of the findings could suggest a bias towards studying the direct effect of the external environment on performance, while ignoring to link the relationship between strategic leadership and performance with the external environment moderating the relationship [24]. Reference [5] observes that few studies have tested for such moderating effects. On a larger scale, the role of strategic leadership has seen dramatic turn of events in organizations and business firms due to its capacity to engage at a higher level of performance. Although current studies show sufficient grounds in support of strategic leadership and its impact on organizational development, not having enough past studies measuring the impact of strategic leadership on firm development is obviously a limitation of the study as that would offer a historic basis to support the recent studies.

2. Materials and methods

The study was carried out using a qualitative mode of inquiry using both informant and in-depth interviews as tools of data collection on a sample of 30 management leaders at lower and middle management levels of the organization as these could easily judge the performance of firms and are given to higher levels of accountability. These leaders were asked how they felt were the factors and traits they experienced or saw in their strategic leader that led to organizational development as well as in their own lives. These leaders had the highest number of interactions with the strategic leader as they carried out the specific tasks and can best describe the actions and activities of the leader. A purposeful sampling method was used to determine the participants and selection was done using a simply designed grid interval plan. A sample frame was based on managers, leaders, and key representatives of organizations. Participants were selected using a basic grid interval system that allowed the numbers 1 – 100 be drawn by probability and only those that picked even numbers were selected. Each participant was given an equal chance of being selected. In the selection of the managers and leaders, characteristics such as gender, length in position, knowledge of strategic leadership,
experience, type of firm and size and results achieved by the firm. The interviews were administered to 30 managers closest to the strategic leader in organizations that have developed in the last 10 years under similar characteristics. These managers represent their experience and orientation with the company in the last 10 years working under the authority of a strategic leader. The managers were asked how they felt were the factors and traits in the strategic leader that accounted for organizational development. Data was analyzed using content and thematic approaches considering the qualitative nature of the study. One of the methodological limitations of the study is perhaps the number of firms involved in the sample as a wider choice incorporating various industries would offer the study a more detailed analysis.

3. Results

Organizational development in this paper carries the meaning profitability, firm growth in revenue and production capacity, increase in human resource, expansion, and stockholders’ equity. The tables below represent the themes that emerged from the responses of the correspondents when asked how they felt strategic leadership was different from ordinary leadership, what contribution strategic leaders made to the organization and what factors and traits in their observation made the firm grow.

**Table 1: Emerged Themes.**

<table>
<thead>
<tr>
<th>EMERGED THEMES</th>
<th>DESCRIPTION OF THEME.</th>
</tr>
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<tbody>
<tr>
<td>Capacity</td>
<td>This refers to the qualities, abilities, skills, knowledge resources and the level of experience that enables the leader to outperform others. This includes all the individual attributes and level of orientation in the practice of leadership.</td>
</tr>
<tr>
<td>Dynamism</td>
<td>This is the quality of being dynamic characterized by vigorous activity, enthusiasm, motivation, and progress. It also extends to the idea of being positive in attitude, results oriented and having a never lose attitude.</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>degree and extent to which leaders apply their skills and the know-how as well as the art of managing to convince the teams of what is to be done, how it should be done and when it should be done.</td>
</tr>
<tr>
<td>Problem Solving</td>
<td>The skills and abilities to read and detect present and future problems and timely application of the skills and techniques for the resolution of conflicts and clearing of obstacles associated with firm performance.</td>
</tr>
<tr>
<td>Manageability</td>
<td>This is the art of providing the attributes of management (leading, controlling, planning, supervision) is an organized and systematic way with the desire to achieve the objectives.</td>
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In analyzing the data from interviews with leaders who knows what strategic leaders do and what characteristics they possess, the analysis of the data revealed that strategic leaders are high in Capacity, Dynamism, Effectiveness, Manageability and Problem solving. The responses were recorded as indicated on the table below on how the participants viewed each of the themes that emerged. Of the 30 participants, their reference to any of the above themes were recorded according to the number of appearances as in how many times these factors surpassed any other attribute.
Table 2: Response Dynamics on Themes.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Capacity</th>
<th>Dynamism</th>
<th>Effectiveness</th>
<th>Problem solving</th>
<th>Manageability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Managers (8)</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Middle Managers (7)</td>
<td>6</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Lower Managers (7)</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Key leaders (8)</td>
<td>7</td>
<td>5</td>
<td>5</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>30 (100%)</td>
<td>25 (83%)</td>
<td>22 (73%)</td>
<td>25 (83%)</td>
<td>29 (97%)</td>
<td>28 (93%)</td>
</tr>
</tbody>
</table>

The summary of the results showed that problem solving skill accounted 97% in strategic leaders, 93% in management abilities and skills, 83% effectiveness in their way of accomplishing goals, 83% capacity and 73% dynamism. Analysis also finds that there is no doubt that strategic leadership that is high on these factors is positively correlated with organizational development and business success. One of the respondents remarked strong that ‘organizations without strategic leadership are aimless and further supported the idea that ‘every business must have strategic leadership. However, one respondent from the top management expressed the view that “…correlation is high, but it is not a 100% as other factors that always stand in the way. On each of the category of factors, almost all the participants at all levels score above 80% factor in relation to contribution to organizational development.

4. Discussion

Of all the possibilities and factors related to traits in leaders, the five themes (capacity, Dynamism, Effectiveness, Manageability and Problem solving) emerged as the main drivers in their experiences and all respondents agreed that a key to successful strategic leadership is having a strong future orientated perspective and these same drivers which to them takes superiority over many other operational characteristics. The interviewees also mentioned that strategic leadership is a process that combines these with their knowledge of business and put that into action. A strategic leader will execute these as actions in the present with an understanding of the environment and the need to deal with the future needs. One other aspect that respondents put into context was the fact that strategic leaders can think outside the box and take these factors into business activities. Through their leverage of these factors with a positive attitude, these strategic leaders can develop their human resources and are able to align people with their tasks for maximum effectiveness.

4.1 Capacity

When dealing with capacity, 25 of the 30 respondents or 83% attributed capacity as one of the key factors that strategic leaders bring to the table. The key leaders recognized this factor highly as compared to top, middle and lower managers. The context of capacity applied by participants included but not limited to the following: the qualities and abilities, skills, understandings, and resources including experience that enables the leader to outperform others. The respondents believed that strategic leaders carry a vast range experiences and exposure.
and operate as high-capacity individuals. In one of the interview sessions, almost half of the participants highlighted that the different capacities make the difference in leaders. Capacity as it is known to be generally synonymous with ability or the ability of individuals to achieve certain development goals and satisfy their needs. This of course includes the ability for strategic leaders to adapt to new needs, environments, challenges, changes, and opportunities. Morgan [20] recognizes that capacity can be assessed (qualitatively or quantitatively) using performance indicators where the performance can take multiple forms, such as “decision making, leadership, service delivery, financial management, ability to learn and adapt, pride and innovation, organizational integrity and many others.” The views sustained by the respondents confirmed this assertion and further highlighted those strategic leaders have built their capacity overtime, have got determination, and works with variety of situations to achieve the desired results.

4.2 Dynamism

Dynamism emerged as a factor and accounted 73% reflecting 22 out of the 30 respondents viewed dynamism as a great value. In the context of organization development respondents viewed dynamism as the fuel and that enduring character in their experience as well as the quality of being characterized by vigorous activity and progress. When the leader is dynamic, it gives the rest of the leaders under him/her or those at the implementation level the right momentum to get things done. One of the respondents remarked that “dynamism does not only focus on the quality of being dynamic and positive in attitude, but everything to do with energy, strength, optimism, vigorous, die-hard mentality, looking forward and going forward in the power to do things. The result of the study also concluded that the dynamism of strategic leaders has a magnetic effect and carries individual drives and business vitality that is needed at every level and stage of busy. Quoting the words of one of the respondents, “in my leadership and experiencing, I have seen and come to realise that while I can do all that I am required to do by the book, I have a responsibility to project new emotions of strength above ordinary leadership and apply strength and be dynamic in every sense of the word and drive the organization as far as I can. I know that if I am weak or lose it or take the ordinary view of things, I will be less productive and perhaps fail to achieve my goals” (by participant – Top Manager). The Respondents also agreed that activities of strategic leaders keep the organization above and beyond the status quo. Strategic leaders develop strong worth ethics and allows the team members to engage at every level of business in the organization and keeps going regardless of the hurdles along the way. Strategic leaders who carry dynamism help spur the firm into high performing and progress-oriented firm and gives employees an opportunity to prove their contribution to the organization.

4.3 Effectiveness

The result showed that 83% (25 out of 30) of participants viewed effectiveness as a fundamental attribute that distinguishes strategic leaders from ordinary leaders. In the words of one of the participants, “strategic leaders are effective at what they do, or they have a way of ensuring that results are produced. Our organization has been facing highly competitive forces and our leader has been on everyone consistently checking and making sure that results are produced even adjusting things that were not even part of the initial plan” The idea promoted in this study of Effectiveness is the degree and extent to which something has been done and often
aligned to the set of objectives or outcomes. While many leaders can be there to satisfy the rules of the game, strategic leaders ensures that the potency of the whole entity is determined by the results it produces and often it is related to the way the strategic leader carries out his/her tasks. The respondents of the study understood that the difference between high performing organizations and underperforming ones lies in how each strategic leader views effectiveness. Strategic leaders go beyond the set standards and makes things work in several productive ways and are effective at what they do. The middle and lower management scored a 100% in upholding the view that strategic leaders always find ways of becoming effective at what they do.

4.4 Manageability

28 out of 30 participants (93%) alluded to the ability of the strategic leader to manage every situation that is presented before the organization. This score is the second highest in the ranking of the above factors or attributes that make strategic leaders bring organizational development. This factor stood out in all respondents with the understanding that strategic leaders carry a dimension of management or skills to manage situation of any magnitude. The experiences of most respondents linked their organizational development to this element of management application to situations that arise at a particular point of time. One respondent remarked, “Our organization has both good, bad, and threatening environments that keep on coming but it’s the management abilities of the strategic leader that really makes the difference. Our organization has been faced with making and breaking moments, but I give credit to our leader who know when and how to manage each type of situation with high level skills. I have seen our firm develop and grow in few years because we have a leader who knows how to manage at the right time.” This and many respondents recognized that strategic leaders are managers of their own and are given to different applications of styles of managing situations outside the traditional view of things. While all the respondents admitted that management is a requirement for all leaders, they provided a distinction in the way things are managed in the context of strategic decision making.

4.5 Problem solving

The results also showed that 29 out of 30 or (93%) participants acknowledged that problem solving skills is one main factor that distinguishes strategic leaders from all other leaders. This theme distinguishes strategic leadership from ordinary leadership in the way and manner as well as the approaches used to address arising problems. One of the senior participants remarked that, ‘in my capacity as a senior manager, it is always when we solve problems that we move the company forward and I am privileged to work under a very strategic leader who has the know-how of resolving problems when they arise. I think also this has to do with the capacity of reading trends and markets and making crucial decisions which in my own opinion an ordinary leader may have problems taking that route.’ The problem-solving attribute of strategic leaders derives from their experience and to be on top of things to see and know every business environment that threatens the firm. All other respondents identified that the characteristics of problem-solving abilities makes the difference in strategic leaders.
5. Conclusion

While organizational development is driven by several factors, it is without denial that at the core of success is strategic leadership. The study was conducted to find out the extent to which strategic leadership is pivotal to organizational development. By examination leaders in several organizations that have been profitable and have developed noticeably in Zambia, the study brings out the elements or themes that stands out in strategic leaders. Both failing and successful organizations revolve around either a lack of or the presence strategic leadership. From the results of the study, there is no doubt that strategic leadership is the engine and the wheels for continuous organizational growth and development due to the type of energy they bring to the firm. In the wake of myriads of unstable economic situations, global market challenges, and business uncertainties, firms ought to introduce and apply strategic leadership. The one reason for this is it enhances higher levels of productivity among employees and gives organizations competitive advantage. The many elements of the strategic leadership environment confront even the best leaders. The massive outcomes of strategic decisions call for people with extra performance abilities who can handle and manage volatility, uncertainty, and complexity. The demands of strategic leadership involve a transition from the ordinary basic way to high level execution of strategic decisions. It is therefore important that factors highlighted in the study (Capacity, Dynamism, Effectiveness, Manageability, and Problem solving) as revealed by participants be understood withing the context of how strategic leadership furthers the firm’s performance as they combine these into the productive system of the firm. There is a widespread acceptability that strategic leadership has a strong bearing and input into organizational development. While all leaders lead and desire to see great results for their efforts and contribution to the firm, it is important to note also that strategic leadership carries its own dimension that resonates with the expectations of stakeholders, has great exposure and experience encompassed in strong and solid character manifested in the traits alluded to by the respondents. Strategic leadership without denial plays a major role in creating the needed shifts and changes needed for the firm to develop.

References


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