

# A Comprehensive Literature Review on The Role of Leadership Styles in Implementation of Strategic Plans in Malawi State-Owned Enterprises

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## ABSTRACT

**Purpose:** The development of strategic plans has become sort of a cliché in recent years. However, studies show that developing a strategic plan is way easier than implementing it. The aims of the study are to find out the role that leadership styles play in the implementation of strategic plans and to recommend the most appropriate leadership style for use during the implementation of strategic plans.

**Deign/Methodology/Approach:** Data for this study was sourced from relatable previous studies from across the globe and those close to Malawi. The literature was sourced online using Google Scholar search engine.

**Findings:** The findings show that indeed, leadership styles have a role to play when it comes to the implementation of strategic plans. The most common leadership styles are transformational, autocratic, democratic, laissez-faire and transactional. The study recommends the use of all other leadership styles except autocratic which is deemed to be oppressive to the team. All the other leadership styles encourage teamwork, commitment and working towards the same goals.

**Paper Type:** Research Paper

**Keywords:** *Leadership styles, implementation, strategic plan, enterprise, transformation.*

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## I. INTRODUCTION

It has been proven now and again that it is much easier to develop a full strategic plan, launch it in a colorful ceremony and fail miserably to implement the strategic plan. The strategic plan remains a colorful dream on paper but does not get to be implemented physically for the organization to move forward in its endeavors. Chandler (1962) defined a strategic plan as a document that lays out the goals and objectives of an organization and its planned course of action to achieve those targets. The targets can be likened to the vision of what the organization aspires to be in the foreseen future. Now that the targets are set the issue becomes how to get to the desired future.

Joram & Otieno (2018) note in their study note that even with the availability of models, theories and trainings leadership remains the biggest reason why organizations fail to implement strategic plans. Leaders have the task of leading change in organizations which in essence means implementing strategic plans (Kanter et al., 1992). Leadership is about providing the right environment for your subordinates to work and achieve goals (Jabbar & Hussein, 2017). Leaders will inspire the team, boost morale and cultivate positive work relationships with all stakeholders. In this positive environment it is believed that an organization should be able to successfully implement a strategic plan.

The government of Malawi has 85 State-Owned Enterprises (SOEs) all of which have strategic plans. These SOEs are in water supply, energy, public infrastructure, agriculture, transport, education and health. These are key sectors of the Malawi government hence the need to have these SOEs perform at their optimum levels. One

way to ensure efficiency and continuous improvement is by developing strategic plans. but as explained earlier, it has proven to be much easier to develop strategic plans than to implement them.

### **A. Aim of the Paper**

The aims of the study are to find out the role that leadership styles play in the implementation of strategic plans and to recommend the most appropriate leadership style for use during implementation of strategic plans.

## **B. Literature Review**

### **1. Leadership Styles**

Leadership is basically about skillfully using influence to get people in an organization to rally behind a certain goal (Omolayo, 2007). A leader captures the minds of followers and shows them the way to achieving their goals. An effective leader uses their ability to influence as a way to meet targets in the organization. Below, we will discuss each leadership style in detail.

### **2. Transformational Leadership style**

A transformational leader seeks to change the behavior, attitude and perception of the followers by aligning them with common organizational goals. In transformational leadership the leader will be attentive to the needs of the followers and ensure that they are catered to. Bass (1997) plainly stated that transformational leadership is literally about 'transforming' the followers' minds and aligning them to a particular goal. A transformational leader will spend time explaining the vision and mission to the followers. They want the followers to pursue the organization goals as if they were personal to them all. Bass & Avolio (1994) noted that a transformational leader will appeal to the interests of the followers and link that to the common organizational goals. The idea is to encourage commitment and solve problems as they arise within the organization. A transformational leader encourages the team to work together, fight for each other and share both wins and losses in the organization.

### **3. Transactional Leadership style**

Transactional leadership can be simply thought of as an exchange type for leadership style. The transactional leader will offer the followers gifts and incentives in exchange of a certain behavior or attainment of goals (Nanjundeswaras wamy & Swamy, 2014). This is like a carrot and stick analogy on a horse. The leader will typically note good behavior that leads to attainment of organizational goals and reward it accordingly. According to Bass and Avolio (1990) the transactional leader plays a trade with the followers by providing incentives while getting positive results from the followers. This exchange is what is called the transaction. Followers are then motivated by the promise of these rewards which can be in the form of promotion, cash or gifts to work hard on their job and thus achieve the set goals. Burns (1978) underscored the fact that transactional leaders do not only offer rewards for attainment of goals but they also use punishment. The punishment can be in the form of demotion or non-renewal of work contracts. So the fear of punishment and the possibility of receiving rewards are the benchmarks of transactional leadership.

### **4. Laissez-faire Leadership Style**

According to Val & Kemp (2012) in a laissez-faire leadership style the leader gives room to the followers to make decisions on their own without much or little guidance from the leader. The followers are responsible for carrying out tasks that will ensure the attainment of goals without the leader interfering. Laissez faire leadership style can be thought of as a 'hands off' type of leadership. The follower has to figure out how to solve problems on their own and report back to the leader on their progress. A laissez faire leader would usually quickly agree with suggestions from the team and offer little resistance (Val & Kemp, 2012).

### **5. Autocratic (authoritarian) leadership style**

In an autocratic leadership style, all the major decisions are made by the leader. The leader would simply make a decision and the followers would follow without any questions (Val & Kemp, 2012). The decisions come like commands not suggestions. These decisions are given to follow dictation. That is why sometimes an autocratic leader is called a dictator. An autocratic leader would not give room for suggestions or idea sharing from their followers. The decisions they make are final and they think of themselves as the only suitable person to make decisions for the group. In an autocratic leadership setup, no attention is given to the feelings or ideas of the followers when decisions are being made. Everyone toes the line as dictated by the autocratic leader. (Lewin et al., 1939) categorically concluded that autocratic leadership is total control and absolute authoritarianism over a group of people.

## **6. Democratic (participative) leadership**

In a democracy leaders rely on the active participation of followers before decisions are made. The leaders allow ample time for consultations and hearing suggestions before a decision is taken (Dessler & Starke, 2004). This is why democratic leadership is also known as participatory leadership. The followers participate in decision-making by making suggestions however the final decision is made by the leader drawing conclusions from how the majority felt about the issue at hand. A democratic leader shares the feelings and interests of his followers. Everyone in the group is treated with respect and thought to have an important opinion (Foster, 2002). Because of the various ideas and suggestions from the group democratic leaders tend to make better and more informed decisions on behalf of the group.

## **C. Previous Studies**

Recent research has extensively explored the crucial role of leadership in the successful implementation of strategic plans across various organizational contexts. This review synthesizes findings from four pivotal studies, each offering unique insights into how leadership styles directly influence strategic plan execution.

## **II. METHODS**

In Kisumu County, Kenya, a study focusing on Non-Governmental Organizations revealed a significant gap in leadership skills and abilities among local leaders, which adversely affected the implementation of strategic plans (Joram & Otieno, 2018). The research, which involved 150 individuals from diverse workplaces using questionnaires and interviews, found that most leaders lacked transformational qualities and were ill-equipped to lead organizational change. This study highlighted the need for a comprehensive understanding of leadership styles, including transformational, democratic, laissez-faire, autocratic, and transactional, and their impact on strategic planning.

Another study emphasized the leader's role as the linchpin in strategic management, drawing from an extensive review of current literature on leadership (Jabbar & Hussein, 2017). It underscored the importance of the leader as a mentor, coach, and performance evaluator. The research posited that the organization's strength is a reflection of the leader's effectiveness. This study reinforced the idea that leadership is central to steering an organization towards its vision and goals, affirming that the success of a strategic plan hinges on the leader's capabilities.

## **III. RESULTS AND DISCUSSION**

In Nairobi, Kenya, a study within the context of savings and credit co-operative societies, particularly in Mwalimu Sacco, shed light on how different leadership styles impact the implementation of strategic plans (Michira & Anyieni, 2018). The research found that leadership styles such as transformational, democratic, laissez-faire, transactional, and even autocratic significantly influence strategic plan implementation. This study stressed the importance of a positive management attitude, an effective company structure, and involving employees in strategic planning as key facilitators for successful implementation.

A Malaysian study delved into the impact of strategic leadership on strategy implementation in organizations (Mubarak & Yusoff, 2019). By reviewing past literature, the study linked successful strategy execution to good leadership, while failure in execution was attributed to poor leadership. The research highlighted that leaders must not only skillfully influence and motivate their team but also solve problems, provide clear direction, and continually assess and adjust team performance.

Through these studies, a consistent narrative emerges: the style and effectiveness of leadership are fundamental to the successful implementation of strategic plans in various settings. Leaders are not just figureheads but active drivers of change, vision, and strategy within their organizations. The studies collectively underline the necessity for leaders to be transformational, proactive, and deeply involved in guiding their teams toward achieving organizational goals (Jabbar & Hussein, 2017; Joram & Otieno, 2018; Michira & Anyieni, 2018; Mubarak & Yusoff, 2019). This review, thus, underscores the indispensable role of leadership in shaping the direction and outcome of strategic initiatives within diverse organizational landscapes.

### **1. Role of Leadership**

The literature proves that indeed leadership has a key role in the implementation of strategic plans. The leader has the responsibility to motivate and rally the team towards the attainment of the set goals. By using influence skillfully, a leader is able to capture the imagination of the organization and guide them towards a

common vision. According to Mubarak & Yusoff (2019) a leader is also tasked with setting up a systematic way of evaluating the progress and performance of the team. The leader would then make the necessary course adjustments to ensure that the team remains on track to achieve its goals. Jabbar & Hussein (2017) argued that a leader is actually the center piece of any organization. Everything starts and falls on leadership. This means that it is the ultimate responsibility of the leaders to show the team the way and direction.

## 2. Leadership Styles

Joram & Otieno (2018) concluded their study by explicitly stating that leadership styles have an influence on the implementation of a strategic plan. Michira & Anyieni (2018) recommended the use of transformational, democratic, laissez-faire and transactional leadership styles. An autocratic leadership style is not recommended since it prohibits the involvement of followers in the decision-making process making it mostly likely to stir up resentment and reduce morale within the team. A transformational leader will seek to motivate the team to achieve the set goals by appealing to the emotions of the team while in the same way a transactional leader will use rewards to ensure that the team has something to work towards. A democratic and laissez-faire leader will allow the full participation of the team. This will motivate the team since they feel they are part of the decision making process.

## IV. CONCLUSION

The synthesis of these studies undeniably demonstrates the pivotal role of leadership in the successful implementation of strategic plans within organizations. Leadership is not merely about holding a position of authority; it is about skillfully employing influence to motivate and guide individuals towards a shared goal. The findings underscore the significance of leadership styles in shaping organizational outcomes. Transformational, democratic, laissez-faire, and transactional leadership styles are particularly noted for their positive impact on strategic plan execution, fostering an environment of motivation, inclusion, and alignment with organizational goals.

In contrast, autocratic leadership, with its limited follower involvement, emerges as less effective, potentially leading to resentment and reduced morale. The studies collectively advocate for leadership approaches that engage and empower team members, ensuring their active participation in the decision-making process. This engagement not only boosts morale but also enhances the collective commitment to achieving the set objectives.

The centrality of leadership in an organization's fabric is further emphasized. The leader's role extends beyond mere direction; it encompasses the responsibility to continually assess, adjust, and align the team's efforts with the organizational vision. The leader, thus, stands as a pivotal figure, influencing the course and effectiveness of strategy implementation. The success or failure of strategic initiatives, as evidenced by these studies, largely hinges on the leader's ability to inspire, guide, and adapt to the dynamic needs of the organization and its people. In summary, effective leadership, manifested through appropriate leadership styles, is crucial for the successful implementation of strategic plans, serving as the linchpin for organizational success and sustainability.

## RECOMMEDATION

The study recommends the use of transformational, democratic, laissez-faire and transactional leadership styles in implementation of strategic plans in Malawi state owned enterprises. Leaders must be skilled in these leadership styles and also trained if they do not have capacity. Autocratic leadership must be discouraged entirely as it demoralizes the team and leads to resentment. This is the reason why it is difficult to implement strategic plans in the first place.

A transformational leader will ensure that diverse views and ideas are taken into consideration. This will lead to SOEs that are dynamic and agile enough to respond to the rapidly changing business environment and implement strategic plans aimlessly. Employees need motivation and cheering on to get them going.

A transactional leader will provide a platform were employees who excel and achieve goals as stated in the strategic plans are rewarded according. On the other hand, those who do not achieve should be punished and encourage to do better next time.

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