



MANAGERIAL LEADERSHIP STYLES AND IT INFLUENCE ON THE STRATEGIC DECISION

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Abstract

Leadership is an essential aspect of life and it runs through different institutions in the society. In decision making process, especially in the organizational context is vital to the wellbeing of the organization as it affect productivity of the organization. The paper is aim at critically examining the managerial leadership styles and it influence on strategic decision-making process. It further highlights the various types of leadership style and how it affects effectives decision making.

1. Introduction

The term "Leadership" has been seen to be vital features in the survival of any corporate organization or social institutions in any form or structure of the organization. It can be noted that an organization without a form of leadership is likened to a car moving without a controller or a driver. Leadership is essential to the smooth administration of different social institutions e.g. family, private and public enterprises, religious houses, corporate society etc. It is said that " One cannot grow above or below its leadership, this implies that the progress or failure of any business venture affect the uniqueness and worth of the organization's leadership structure, since all institutions or corporate firms requires an able and dynamic leadership structure for effective organizational performance and work productivity (John, 2012).

Omolayole (2010) argued that in any particular society or institutions, the term leadership is always available in a particular point in time which either be formal or informal, conferred or assumed, because as he designs it, " nature abhors gaps" Therefore, he Observed, " if there is a formal leader and he refuses to lead, somehow a person will emerge unofficially to fill the role". The unofficial or formal leader may be ineffective, but a gap must not be allowed to exist.

From the level of education, kind of training and years of experience, managers with time create their personal style of leadership (Hersey et al., 2001). There are basic concern of this style of leadership to a manager and an experts in leadership research (Wood and King, 2002) base on the effect on the followers, who are seen to have work harder and more effective and also being optimally productive when their leader (Manager) implement a type of leadership style (Mullins, 2010). When leaders adopt a preferred style by its followers or subordinated coupled with the fact that the employees are being treated with respect and fairness, which the deserved, it is said to lead to job satisfaction which implies higher work performances and higher productivity in both material resources and human resources.

Decisions made by top management of an organization gives direction to the business and position the future (decisions that either succeeds or fails the business) therefore these decisions possess high potential risk. With

respect to this, organizations, Endeavour to surpass their rivals using their mission statements to attain its vision statements through the adoption of strategic decision making. For every single employee and their manager to thrive in today's business, which contains rigorous competitions and several dynamics, the opportunity for every manager to thrive, depends on the ability for him/her to be able to experiment on both the external and internal environment of the organization and in turn, couldn't posit a strategic decision (Sedat et al., 2016).

Strategic decision making of an organization is influenced by numerous variables; the most pressing of all is the leader/manager. Decision makers who possess a reactive attitude who uses goal-oriented and changing management approach cannot make the organization survive at ease in this dynamic environmental condition (Sedat et al., 2016). Several questions and works have been centred on strategic management processes, leadership styles, managerial leadership style, strategic decisions etc., this work will relate the concept of managerial leadership styles as it influences the strategic decision making and its processes.

Concept of Leadership Styles and Leadership

Leadership is a major and one of the business management terminology that has been researched on (Akbaba and Erenler, 2008; Taskiran, 2006; Dogan and Sahin, 2008; Luthans, 1995). Leadership over the years has had more researched but with less conceived subject areas in the Universe. A study by Eren (2003; 2010) argued that leadership is the capacity to bring out a group of persons with different socio-demographics basically with mutual interest and goals and also the aggregates of knowledge and abilities needed to achieve this goal. A study by Kocel (2003) defines leadership as an act of influencing and controlling others to attain some individual or team goals. Aioanei (2006; 706) defines the leader as a person who bears a position of responsibility in managing and administration of the affairs and activities of the team members in their specific role of achieving the desired goals. Yukl (2002) posited that the concept "leadership is seen as an act of persuading or influencing other people to understand and agree to what is supposed to be done and to implement it and the procedure involved in fostering and persuading the personal and group task to achieve mutual goals and objectives. Also, Catt and Miller (1985) saw leadership as a form of communication, which has a positive influence on the group to move towards their goals".

Leadership style is seen as a pattern of behaviour that a leader/manager possess throughout their work life and through the means of others (Hersey and Blanchard, 1993). A study by Miller e al. (2002) posited that leadership style as the method of the relationship between the leaders and followers. It involves methods like controlling, directing, perhaps every techniques and pattern adopt by a leader to encourage and inspire the followers to adhere to their instructions. Kavanaugh and Ninemeier (2001), argued that there are three basic factors that determine the type of leadership technique or style; these include; leaders' features, subordinates' features and the organization environment. More specifically, the individual's background of the leader like the personal traits, value, knowledge and years of experiences shapes their feelings about an appropriate leadership that influences their particular type of leadership style that; workers also have several personalities, expectation, background and experiences, e.g. employees that are more knowledgeable and have more years of experienced may travail with the adoption of democratic style of leadership, meanwhile employee with several experiences and expectations needs an autocratic style of leadership. Several factors in a corporate organization environment e.g. the climate, values, work composition and work type can be said to be an influencing factor to the style of leadership. Moreover, leaders can adapt their style of leadership to the perceived preferences of their followers (Wood, 1994).

Leadership style can be grouped based on the leaders' power and behaviour as democratic, autocratic and laissez-faire, whereby each of the styles are uniquely different by the influencing factors the leaders have on the

followers (Rollinson, 2005; Mullins, 1998). Specifically, the terms power has been referring to as; the capacity of a process to influence people (Hersey et al., 2001); A study conducted by Kavanaugh & Ninemeier (2001) argued that an autocratic style is possessed in a leader who has full organizational power and authority for making decision without disseminating it to their followers, meanwhile, a democratic leadership style implies that leaders share their authority for making decision with the employees and the delegate and conclusively, a laissez-faire or free leadership style where the leaders give their workers the majority of the authority over making of decision.

A central organization seek to align with an autocratic leadership style, while a decentralized organization will prefer a democratic leadership style (Woods and King, 2002), and the organizational culture can strongly be affected by its national culture which may relate to the prevalent style of leadership (Rollinson, 2005). However, the leadership style in Jordan appears to be inconsistent. For example, Al-Hajjeh (2012) opined that the Middle Eastern managers support autocratic leadership, as they had a negative view about the capacity of the followers to follow instructions. In alignment with the study, Jar-Allah (2009) indicated that autocratic leadership was the most commonly adopted style in many organizations in Jordan. In opposite, Yousef (2013) argued that a consultative form leadership was prevalent in basically the Middle East and Asian countries specifically in Arab countries, and thus, discovered that the participative or consultative leadership behaviour, as perceived by employees, was more prevalent in Arab countries.

Decision Making and Strategic Decision Making

Decision making can be seen as a method of choosing between different choices to attain business goals and objectives. It can be widely accepted as a result of psychological processes (Luthans, 1995; Moorhead and Griffin, 1992; Oz and Baykoc, 2004; Otlu and Demir, 2005;; Erdamar 1981). Making decision under uncertainty, certainty and risky conditions (Tekin, 2008). Made decisions can be changed based on their positions. Top management makes decisions on organizational goals, services and products, finances as the centre management decide on production programs, staff recruiting etc. (Robbins, 2001).

Making decisions is based on choice making, the questions is, how is a decision been made strategic? A study conducted by Ben-Haim & Dasco (2011) opined that the word "strategic decision" was coined out from a game theory with the fact the two competitors or more are constantly watching the positions and movements of one another, thus, controlling to remove its opponent or in others words, trying to get rewards in return. Studies by Quainn, Higgins, Render (1990) & Tarakci (2010) reveals a long-term decision making that incorporates risk and uncertainty which are strategic.

Alpkan (2000a) suggested that there are several procedures until the strategies are created by top management and also making strategic decisions that are aligning to the organizational long-term goals and objectives. This also lay more emphasis on issues outside and intercompany (Grant, 1998).

(a) Strategic Management towards Change

Studies indicated the use of reactive and proactive decision strategies to attain dynamism in business. A strategy that is proactive is that which exposes the leader to the need for dynamism in the organizational structure and also to eliminate variables hindering this change and to take necessary procedures to begin the change.

(b) Strategic Management towards Competitions

Almost all organizations are in serious rivals in today's business since similar goods and services are produced to almost the same users of these goods. A study by Ulgen & Mirze (2004), argued that competition refers to the fact that while trying to satisfying users or consumers need, an organization has to compete with the strategies that can develop value and fulfil consumers demands in the market. Peter (2010) opined that competitive strategy is an act of using a position to make a profit for the organization above the normal sector average, and also competing with

the five competitive force namely: competitive rivalry between suppliers, threat of a new entrants, purchasing power of buyers, power of the suppliers and threat of substitute products.

(c) Strategic decisions towards conflict

A study conducted by Aksoy (2005) saw the conflict as two or more individual or team that cannot be compatible with the targets, objectives or motives. As postulated in the definition, conflict entails adversity, discord and conflict and also one will act to impose his/her wished and ideology on the other (Ataman, 2001). Unguren (2008) argued that conflict is a natural phenomenon of the society and he sees conflict as an unchanging outcome of a person and intergroup differentiation. There are two meaning of conflict, namely; negative or positive meaning, which symbolizes that conflict is neutral, A study by Earnest & McCaslin (2000), suggested that strategic decision on conflict depends on the type of strategy adopted on managing the conflict irrespective of the fact that it is destructive or it is constructive. With the fact that conflict can't be avoided in this modern organization, managers should always be ready to make use of the advantages of conflict in a manner to attain organization objectives and goals (Mirzeoglu, 2005)

(d) Strategic Decision towards Innovation

Innovation is practised in an organization by four key concepts, which is; marketing, process, production and distribution services. They are referring to as marketing, process, product, distribution and organizational innovation Gemlik, Sisman, 2009; Elci, 2007; Woodman, Sawyer and Griffin, 1993). A study by Adair (2008) suggests that the innovation of a business firm is a human effort by nature and that innovation should be planned, voluntary and well implemented. To be profitable, factors such as sensitivity to change, management commitment, strategic perspective, risk acceptance and the right indoors.

Theoretical Framework

Literature reviews on leadership have shown that the main theories of leadership have grown, deviating from the simple features of individual physical and mental traits to more advanced frameworks for a better perception of what is added to an effective style of leadership. With the fact that they exist numerous theories of leadership, the contingency style of leadership theory paradigm, particularly of House (1971) path-goal theory, lays more emphasis on the flexibility of the use of different types of leadership style to achieve it optimum profit and goal. Contingency theory is seen to be more effective and suitable base on the fact that it assumes that the effectiveness of the leader is dependent on the style of leadership, even if it is work-oriented or employee-oriented, the favourableness of the condition the leader operate on (Paraschiv, 2013). Basically, the leadership combines both the Vroom's expectancy theory of motivation and the situational style of leadership (Karmakar & Datta, 2012).

(a) Directive Leadership Style

Directive style of leadership explains expectations and gives particular guidance to the attainment of the expected desires which is based on the productivity, performance and firm's rules (House & Mitchell, 1974). Also, Bass & Bass (2009) opined this kind of leadership is also referring to the autocratic style of leadership where the leader is the sole controller, power-monger and close-minded persons. Directive leadership is more preferred and more applicable in conditions that need a quick response and with unqualified followers (Negrón, 2008).

(b) Supportive Leadership Style

Supportive leadership style is behaving in a manner of response thereby developing a pleasant organizational environment and orally it recognizes follower's effort in the retarding mode of operation (House & Mitchell, 1974). In the recent theories of leadership, this style is referring to the transformational leadership style (Bass & Bass, 2009). It shows concern to workers or followers wellbeing. With respect to strategic decision making,

The theory assumed that it could have negative influence on the efficacy of the strategic way of making decision, base on the fact that this style of leadership focus basically on human welfare whereby it is very promising that it will deviate from the formal organizational interest and goals which are specific vision of the organization strategic decision making for strategic goals.

(c) Participative Leadership Style

Participative leadership style reserves concluded decision authority, but also get decisions or opinion such as meeting employees for suggestions based on the fact that the leader wants to create a final decision (House & Mitchel, 1974; Bass & Bass, 2009). The method is seen as a democratic style of leadership (Bass & Bass, 2009). The participating manager will share roles with employees by involving them in the process of making decision, planning and the implementation stage (Negron, 2008). In this manner, employees that are motivated become more directed and could generate a creative team thereby presenting a greater bond team and ownership among those involves (Hersey, Blanchard & Johnson, 1996). Base on the fact that the group members disseminate their thoughts and ideology; a participative style of leadership could lead to more unique ideas and more proactive solutions.

(d) Achievement Oriented Leadership Style

This style of leadership is design challenges and tasking goals, which he expects followers to carry out their jobs in the highest or optimal level. This leader continues to seek enhancement in the jobs role and also to show to a great deal a high level of trust that the followers will assume the roles and also input more effort to achieve a tasking goal (House & Mitchell, 1974). Recent theories of leadership explain the achievement-oriented leadership style as a form of transactional style of leadership (Sims, Faraj & Yun, 2009). A study by Luthan (2011) argued that this style of leadership is more lucrative in corporate business environments. Thus, Philip and Gully (1997) suggested that in specifying tasking goals, there should be a demonstration and acceptability of high standard. Robbins (2014) also noted that this style of leadership influences the organizational commitment positively which connotes the extent of involving and identifying what employees have with the organizational mission, values and goals.

Characteristics of Top Management Team and its influence of Strategic Decision Making

A Top Management Team comprises of a set of main managers that are in charge of formulating, planning and executing strategy. Normally, a higher-order theory could be utilized in explaining the manner top management teams create decisions that are strategic to explain the link between these strategic decisions and organizational performance. Verification of top management team attributes may aid the prediction of corporate strategic decisions and organizational performance. Familiarized character relates to the psychological level, age, background and experiences of the professional, history of professional, tenures of organization and international experience of members' cognitive biases and values. (Naranj, 2016; Hambrick, Humphrey and Gupta, 2015). Murray (1989), he claimed that any manager with higher rank may be a member of the TMT (Ham brick, Cho and Chen, 1996).

Members of the team expend lesser time coordinating and communicating with other members of the team. Conflicts may not likely occur in such teams, and therefore these teams are definitely going to adopt strategies with high risk. Experiences in tenure mean the duration a manager stays in a particular position in a company (Tihanyi et al, 2000). These managers having short tenures need enough time to learn business applications. Thus, the teams with such leader develop a conservative decision. Backgrounds and experiences of members of the management team refer to the previous professional fields.

Managers use their experiences in such areas while making decisions. The management teams with such history of efficiency basically lay more emphasis on research, design, accounting, manufacturing, data processing and information. Thus, managers in these teams, place more emphasis on business control and operational efficacy and adopt strategies that provide them more control (Hambrick et al, 1996; Hermann and Datta, 2006). International experience means experiences in business management in various nations and concepts. When team members are familiar with the ethics of other nations and sustain a broad overview, they are more demanding of risk and was able to design more radical strategies markets (Johanshahi and Bren, 2017)

Previous literature has reviewed that TMTs are likely to opt for high-risk strategies and radial when employees have the same age, have more experience, have a professional background in productivity, and have international experience.

Case study

A vivid example of a strategic decision made was the adoption of Information technology in the running of daily activities in the organization. Software called MotoData which is very effective for an automobile firm was introduced by IT personnel in the Top management, this software was expected for transforming organizations manual recording to an IT-oriented with the use of recent cutting technologies for daily work activities to yield better employees' performance and overall optimal productivity of the firm. The software was meant to keep a record of client's data, process daily sales, effective communication with potential clients.

Conclusion

Leadership has been seen from works of literature as a unique factor that can either lead to adversary or success of institutions ranging from the family, public institutions, small group of persons, schools, churches, business organization etc. The leadership style adopts by a manager will affect how productive the employee will be and also a contributing factor to the overall success of the organization. In the aspect of making strategic decisions of a company, the managerial leadership style will have an effect (positive or negative) on the uniqueness of such decision and how it can better the organization.

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