

The Role of the Transformational Leadership in Facilitating of Strategy Implementation

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Extended Abstract

Scholars of strategy refer to the leadership as one of the most important parameters in success or failure of strategic plans. However, there are just a few studies that so far have deeply investigated the role of the specific leadership style in the strategy implementation process. To fill this gap, the current empirical surveys the role of

, and evaluates four factors namely innovation capability, organizational commitment, organizational learning and employee motivation in this relationship. Data gathered from a sample of 250 senior level managers of the industrial equipment and utilities contractors and analysis were done by regression models. Findings acknowledged the relationship between transformational leadership and strategy implementation and showed that the most important functionality of transformational leadership in strategy implementation is in developing commitment and motivation; and this leadership style could prepare the organization for successful attainment of the strategic goals and facilitation of the strategy implementation with innovation, commitment, learning and motivation.

Introduction

From the last few years it has been witnessed that transformational leadership is very important aspect of leadership that is highly associated with organizational performance (Ahmed et.al, 2014). Effectiveness of transformational leadership measures the ability of leaders to provoke the followers towards the strategic goals and provide facilitation in the process of strategy implementation.

Early researches of transformational leadership were about the features of leaders and their relationship with followers (e.g. Carter et.al, 2014; Li, Mitchell & Boyle, 2016). Further researches needed to deeply investigate the relationship between different leadership styles such as transformational ones and organizational outcomes, such as strategy

implementation (O'Reilly et.al, 2010). The literature of strategy implementation is also needed to researches which go beyond identification of implementation obstacles and provide clearer explanation of how to implement strategies more effectively. Such deep pathologies could help academics and practitioners to comprehensive understanding of a complex, obscure strategy implementation nature.

Case Study

This investigation has been conducted on a sample of senior level managers of industrial equipment and utilities contractor companies. The contracting industry was chosen for two important reasons. First, contractor companies have had a good record of strategic planning, and so, strategy implementation is meaningful for most of them. Second, numerous projects in different fields were defined in Iran during the last decade (e.g. Energy, Building, Power & Infrastructures). Contractor companies play a key role to do these projects on time and with a low cost, and so, their strategy implementation is a core parameters to get to these capabilities.

Materials and Methods

This study objective is in the context of applied science. The main goal of the current study is to provide an explanation about the role of transformational leadership and its outcomes on strategy implementation. Data for this empirical analysis was gathered through a questionnaire and the research instrument comprised of questions on transformational leadership (Bass et.al, 2003), strategy implementation (Mazloomi & Jalali, 2014), organizational learning (García-Morales, Jiménez-Barrionuevo & Gutiérrez-Gutiérrez, 2012), organizational commitment (Walumbwa et.al, 2005), innovation capability (García-Morales, Jiménez-Barrionuevo & Gutiérrez-Gutiérrez, 2012), and employee motivation (Ahmed et.al, 2014). Questionnaire validity and reliability was approved by nominal validity and Cronbach's alpha coefficient. Then, the required data were gathered from a sample of 250 senior level managers of industrial equipment and utilities contractor companies.

Discussion and Results

Results showed that all proposed hypothesis are statistically significant. By conducting correlation analysis, researchers found that all of independent variables have a positive and strong correlation with the dependent variable, namely strategy implementation. Then, the hypothesis and the interaction between variables were tested by conducting regression analysis in 7 distinctive models. Regression analysis showed that transformational leadership has a positive, direct relationship with strategy implementation. In addition, outcomes of transformational leadership including organizational commitment, organizational learning, innovation capability, and employee motivation have a positive relationship with strategy implementation and also

directly influence the relationship between transformational leadership and strategy implementation.

Conclusion

As many scholars posited, inefficient leadership is a very important obstacle of strategy implementation (Okumus, 2003; Dobni 2003; Miller, Hickson & Wilson, 2008; O'Reilly et.al, 2010). However, there is a key question, which leadership style could help organizations to implement strategies more effectively? To answer this question, we need numerous researches to analyze the effect of different leadership styles on strategy implementation and then, comparative studies to find out more effective leadership styles in different situations. This research is a novel piece of the puzzle of leadership style-strategy implementation since there is no systematic research on the relationship between transformational leadership and strategy implementation. By recognizing the facilitator role of transformational leadership in implementation of strategies, the managers can use this leadership style to strengthen the commitment toward strategies, fostering innovation capability, creating positive motivation among employees and building a more learning organization which share and disseminate experiences about strategy implementation among internal and external stakeholders.

Keywords: Strategy Implementation, Leadership Style, Transformational Leadership, Organizational Learning.