

# STRATEGIC LEADERSHIP AND ITS IMPACT ON STRATEGIC CHANGE

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## ABSTRACT

*The aim of the research is to identify the impact of strategic leadership on strategic change, as strategic leadership and strategic change represent two cognitive areas that have been the focus of many studies, the Office of the Iraqi Ministry of Oil was selected as a study site and the analytical descriptive research method was used, also a questionnaire was adopted as a main tool in the collection of in depth data and information, after that it was distributed to a sample of (65) members of the high and middle leadership, The researcher used correlation coefficient (Spearman) and regression analysis for relationship analysis and hypothesis testing.*

*Key Words: Strategic Leadership, Strategic Change*

## LITERARY REVIEWS

### A. Strategic Leadership

These are the patterns and behaviors of the executives who influence others in order to achieve the objectives of the organization.

#### The Dimensions of Strategic Leadership:

- **Vision development and delivery:** It is the desire of the organization to develop a long-term strategy that will enable it to reach a high level of performance and efficiency compared to other organizations.
- **Building dynamic core competencies:** These are the unique strengths and resources that the organization has in mind when developing its own strategy, these resources include the workforce, technology and facilities.
- **Attention to human capital and its activation:** It is the process of selecting talented individuals and involving them in training courses to equip them with sufficient skills to perform their duties.
- **Building an effective organizational culture and maintaining it:** It is a set of complex ideologies that include the symbols and basic values that dominate the organization.

- **Developing and implementing a balanced control:** Using a set of actions taken by strategic leaders on the basis of information on which to base or maintain the status quo.
- **Investing in the development of new technologies:** By following a new and more sophisticated technical methods that develop the organization and its ability to face bigger challenges, such methods enable the organizations to achieve a competitive advantage and create value for it, and to keep pace with the environmental changes surrounding it.
- **Committing to ethical practices:** Leaders follow ethical behaviors while dealing with their employees by making fair decisions when an ethical violation incurs while working within the organization.
- **Relying on valuable strategies:** Which is the organization developing and raising the efficiency and effectiveness of the work carried out by exploiting the opportunities surrounding it, and its constant endeavor to employ these opportunities and include them within the strategy through the holding of cooperative strategies.

## B. Strategic Change

Which is a process of intentional change to transform a place, parts, functions, parts of the work or assets from their normal state into a new, unfamiliar situation.

### The dimensions of strategic change:

- **Restructuring:** The organization does radical reassessments that include all parts of the organization, individuals, divisions and working methods, to be able to respond to accelerating environmental developments.
- **Process reengineering:** It is the process of analyzing and designing the functions and work within the organization rather than being a group of individuals or even functional tasks, to ensure the completion of the most efficient and effective work.
- **Renewal and modernization:** It is becoming harder and harder to handle change management, when the organization adopts modernization as a source of competitive advantage, it needs flexible structures such as hierarchical structure or a matrix to adopt an authorization that gives individuals the freedom to perform their business and provide them with the right environment to be more creative.

## RESEARCH METHODOLOGY

### a) Research Problem

Today's organizations need to have a strong and professional strategic leadership capable of adopting the concept of strategic change, enabling them to make strategic changes that in turn makes them capable of coping with the challenges and taking advantage of new opportunities efficiently, to tchange the reality of the organization now to something else, and the research problem lies in developing the orginaization's strategic vision and attention to human capital, and developing and training continuously and following everything new in the field of information technology, and the adoption of cooperative strategies to be held with organizations to develop the work done by them.

### b) Research Hypotheses

Based on the research problem and the main objectives, the research hypotheses are developed in a way that explains the problem of research and helps in answering its questions, the hypotheses are as follows:

1- There is a strong correlation between strategic leadership dimensions (vision development and delivery, dynamic core competency building, interest in human capital and its activation, building and maintaining an effective organizational culture, development and application of balanced control, investment in developing new technologies, commitment to ethical practices) And the axis of strategic change at the top and middle leadership level.

2- There is a strong cause-effect relationship between strategic leadership dimensions (vision development and delivery, dynamic core competency building, interest in human capital and its activation, building and maintaining an effective organizational culture, development and application of balanced control, investment in developing new technologies, commitment to ethical practices) And the axis of strategic change at the top and middle leadership level.

### c) Research Sample and Community

The research community included the top and middle leaders of the Office of Oil Ministry, and the sample of the study consisted of (65) individuals (47 males and 18 females).

### d) Research Tools

The researchers adopted the questionnaire as one of the means of completing the research as the main source of data and information related to the practical aspect and part of the research where the questions were organized according to the main axes, the first axis is strategic leadership that was included as an independent variable and has eight dimensions (Development and delivery of vision, building dynamic

core competencies, interest in human capital and its activation, building and maintaining an effective organizational culture, developing and implementing balanced control, investing in the development of new technologies, commitment to ethical practices, Relying on valuable strategies), and the second axis being strategic change as a three-dimensional variable (Restructuring, process reengineering, renewal and modernization). Table (1) shows the the number of questionnaires' paragraphs and approved sources used to construct the paragraphs of this questionnaire, the questionnaire was submitted to 11 qualified professors, the Likert scale was used to deal with respondents' answers for being more appropriate with responding to the questionnaire, the Alpha Cronbach coefficient was calculated for each axis of the questionnaire and it got an excellent percentage of 97% which enable the results of this questionnaire to be relied on in this study.

*Table 1 (Variables, sub-variable, number of paragraphs, the source adopted in the scale)*

Variables	Sub-variables	Number of Paragraphs	Source
<b>Strategic leadership</b>	Development and delivery of vision	6	Hitt& et al :2016 Model
	Building dynamic core competencies	5	
	Attention to human capital and its activation	5	
	Building and maintaining an effective organizational culture	5	
	Developing and implementing a balanced regulatory control	5	
	Investing in the development of new technologies	5	
	Commitment to ethical practices	5	
	Relying on valuable strategies	6	
<b>Strategic change</b>	Restructuring	7	Hill & jounes :2001 Model
	Process reengineering	6	
	Renewal and modernization	5	

Table 2 (Options according to the Likert scale)

Strongly agree	Agree	Neutral	Disagree	Strongly disagree
5	4	3	2	1

Table 3 (Stability Alpha Cronbach coefficient value)

Questionnaire axes	Alpha Cronbach coefficient value
Strategic leadership axis	0.96
Strategic change axis	0.92
All axes	0.97

## DATA ANALYSIS

The results of the sample responses show that the top and middle leaders in the Ministry of Oil have leadership skills in general, and that the two dimensions (developing a balanced control and attention to human capital) are the most important in the sample of the research, indicating respondents with leadership skills capable of making strategic change within a moderate level, as such the results show that there is moderate strategic change in different levels, and the moderate level of change is between (2.5-3.5), This indicates that the ministry has a positive level of performance of business and achievement of goals, and the results of the deviation show a decrease in dispersion in the views of the research sample.

Table 4 (The results of the statistical analysis of sample responses)

Variables and sub-variables	Arithmetic mean	Standard deviation
Strategic leadership	3.68	0.51
Development and delivery of vision	3.69	0.75
Building dynamic core competencies	3.64	0.68
Attention to human capital and its activation	3.76	0.61
Building and maintaining an effective organizational culture	3.55	0.61
Developing and implementing a balanced regulatory control	3.74	0.50
Investing in the development of new technologies	3.70	0.70
Commitment to ethical practices	3.74	0.67
Relying on valuable strategies	3.60	0.72
Strategic change	3.56	0.52

Restructuring	3.62	0.59
Process reengineering	3.49	0.59
Renewal and modernization	3.57	0.71

## Results:

### • Variables Correlation

The relationship between the strategic leadership axis and the axis of strategic change was high and its direct orientation to all levels according to table (3), as the correlation coefficient of Spearman was positive and reached (0.80 \*\*), also reflected positively at a significant level (0.01), as well as at the level of higher leadership, the relationship was also positive and the correlation coefficient was (0.91 \*\*) at a significant level (0.01), at the level of the middle leadership, the relationship was significant and also positive, with a correlation coefficient of (0.77 \*\*) at a significant level (0.01), these results give a significant impression on the importance of the ministry's adoption of the strategic leadership in its general form, which will subsequently adopt and promote strategic change.

Table 5 (Correlation factors between the dimensions of strategic leadership and the axis of strategic change)<sup>1</sup>

	Strategic Leadership		Levels		
			Research Sample	Upper Manegment	Middle Manegment
Strategic	Independent variable (strategic leadership axis)	Correlation	0.77**	0.91**	0.80**
		Sig.	0.000	0.000	0.000
	Development and delivery of vision	Correlation	0.56**	0.76*	0.67**
		Sig.	0.000	0.000	0.000
	Building dynamic core competencies	Correlation	0.60**	0.84*	0.61**
		Sig.	0.000	0.000	0.000

<sup>1</sup>(\*\*)The correlation is significant at a level of (0.01)

(\*)The correlation is significant at a level of (0.05)

Change	Attention to human capital and its activation	Correlation	0.40**	0.92*	0.42**
		Sig.	0.001	0.000	0.002
Building and maintaining an effective organizational culture	Correlation	0.59	0.71**	0.63**	
	Sig.	0.000	0.006	0.000	
Developing a balanced and applied control	Correlation	0.31*	0.57*	0.36**	
	Sig.	0.012	0.040	0.008	
Investing in the development of new technologies	Correlation	0.68**	0.67*	0.65**	
	Sig.	0.000	0.011	0.000	
Commitment to ethical practices	Correlation	0.50**	0.62*	0.48**	
	Sig.	0.000	0.022	0.000	
Relying on valuable strategies	Correlation	0.72	0.82**	0.69**	
	Sig.	0.000	0.001	0.000	

Table 7 (Regression of variables results)<sup>2</sup>

Strategic Leadership	Unstandardized Coefficients	Calculated Value	Sig	Coefficient of Determination (R)	Calculated Value	(F) Level	Unstandardized Coefficients	Calculated Value	Sig	Coefficient of Determination (R)	Calculated Value	(F) Level	Unstandardized Coefficients	Calculated Value	Sig	Coefficient of Determination (R)	Calculated Value	(F) Level	dependent variable
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<sup>2</sup>(F) = 4.00 at a significant level of 0.05

(F) = 7.06 at a significant level of 0.01

Strategic Leadership Axis	a	1.88																	
	β	0.52	5.11	1.01	21	22.17	0.01												
Development and Delivery of Vision	a	2.14	7.84	0															
	β	0.55	5.25	0	0.31	27.62	0												
Development of core competencies	a	1.84	6.55	0															
	β	0.61	6.23	0	0.83	38.81	0												
Attention to human	a	2.05	5.7	0	0.22	17.99	0												
	β	0.52	5.11	1.01	21	22.17	0.01												
Strategic Leadership Axis	a	0.06																	
	β	0.86	8.9	0.01	79	58.09	0.01												
Development and Delivery of Vision	a	2.37	8.68	0															
	β	0.86	5.61	0	0.74	31.54	0												
Development of core competencies	a	1.78	3.83	0															
	β	0.8	4.53	0	0.65	20.53	0												
Attention to human	a	1.79	4.1	0	0.68	23.4	0												
	β	0.69	6.82	0	0.48	46.58	0												
Strategic Leadership Axis	a	1.03																	
	β	0.72	7.37	0.01	48	39.13	0.01												
Development and Delivery of Vision	a	1.57	5.45	0															
	β	0.69	6.82	0	0.48	46.58	0												
Development of core competencies	a	1.61	5.29	0															
	β	0.66	6.28	0	0.44	39.53	0												
Attention to human	a	1.72	4.15	0	0.27	18.79	0												
	β	0.66	6.28	0	0.44	39.53	0												
Strategic change																			

n capital and its activation		$\beta$	0.47	4.24	0																	
Building and maintaining an organizational culture	Total	a	1.57	5.4	0	0.43	47.92	0	a	1.58	2.89	0	0.62	17.9	0	a	1.49	4.72	0	0.45	41.55	0
		$\beta$	0.65	6.92	0				$\beta$	0.79	4.23	0				$\beta$	0.67	6.44	0			
Developing a balanced applied control	Total	a	2.1	4.6	0	0.14	10.33	0	A	1.59	1.39	0	0.27	4	0.07	a	1.7	3.36	0	0.2	12.83	0
		$\beta$	0.37	3.21	0				$\beta$	0.51	2.07	0				$\beta$	0.45	3.58	0			
Investing in development		a	1.59	6.61	0	0.52	69.07	0.01	A	1.2	1.6	0	0.54	12.81	0	a	1.63	6.1	0	0.5	50.83	0

pm ent of ne w tec hno logi es	$\beta$	0. 72	8. 31	0				$\beta$	0. 7 3	3. 58	0				$\beta$	0. 71	7. 13	0			
Co mm itm ent to ethi cal pra ctic es	a	1. 96	6. 43	0	0.3 1	28 .1 5	0	a	3. 0 7	8. 63	0	0.3 3	5. 42	0	a	1. 99	5. 61	0	0.2 7	18 .0 8	0
	$\beta$	0. 55	5. 3	0				$\beta$	0. 5 8	2. 32	0				$\beta$	0. 52	4. 33	0			
Rel yin g on val uab le stra tegi es	a	1. 66	7. 32	0	0.5 4	72 .6 5	0	a	2. 8	7. 81	0	0.4 6	9. 37	0 .0 1	a	1. 74	7. 07	0	0.5 2	53 .8 4	0
	$\beta$	0. 73	8. 52	0				$\beta$	0. 6 8	3. 06	0 .0 1				$\beta$	0. 72	7. 33	0			

• **Regression of Variables**

In general, the results of the table showed significant effects of the strategic leadership axis in the strategic change axis and for all levels of leadership, the value of (F) calculated at the total level (22.17) at a significant level (0.01), at the level of upper leadership, it reached (58.09) at a significant level (0.01), while it reached (39.14) at a significant level (0.01) at the level of middle leadership, this means that the calculated F is greater than the table (F) and therefore the effect is significant at all levels. that is, strategic leadership has a significant impact on strategic change. The value of the coefficient of determination for the strategic leadership axis at the total level was (0.21) which means that strategic leadership contributes to the interpretation of 21% of the total variation in strategic change, at the level of upper leadership, the

value of the coefficient of determination (0.79) is the largest among the levels in the sense that strategic leadership contributes to explain the proportion of about three quarters of the total variance in the strategic change of 71%. As for the level of the middle leadership, the value of the coefficient of determination (0.48) means that strategic leadership contributes to the interpretation of 48% of the total variance in the strategic change.

When constructing the regression model, it is noted that the value of the constant limit (a) reached the total level (1.88) at a significant level (0.01) while the value of (a) at the level of upper leadership (0.64) at a significant level (0.01) The value of (a) is (1.03) at a significant level (0.01) ie when the strategic leadership is equal to zero, the strategic change will not be less than the value of these values respectively. The value of the regression coefficient ( $\beta$ ) at the total level (0.52) at a significant level (0.01), as for the level of the upper leadership, the value of ( $\beta$ ) was (0.86) at a significant level (0.01) and the value of ( $\beta$ ) at the level of the middle leadership (0.73) at a significant level (0.01) The strategy will lead to change and the rise of strategic change by these values respectively, and thus there is a positive impact of strategic thinking on strategic change. The value of (t) calculated at the total level (5.11) at a significant level (0.01), while at the level of upper leadership, the value of (t) calculated (8.90) at a significant level (0.01), while (t) was calculated at the level of the middle leadership (7.37) at a significant level (0.01). This indicates that (t) is calculated greater than the table (t), as indicated by the value of the Sig associated with the test. The value of the regression parameter is significant whenever the Sig value is smaller than (0.05) or (0.01), this means that regression coefficients are significant at the overall level and at the level of the upper leadership and the level of the middle leadership respectively, which reflect the importance of the strategic leadership axis in its general form in the regression model.

### Results:

The results of the statistical analysis showed a number of responses, most notably the relationship between strategic leadership and strategic change. Strategic leadership has the ability to make strategic changes required in the organization, the most important recommendations are to work on periodic meetings between upper and middle leaders to enhance the vision of the ministry. The middle leaders have wide visions and touch on the reality of the problems and challenges that the ministry is undergoing as it is more demanding and closer to the environment surrounding the ministry and forming a specialized committee. Human Resources Sponsors the training side of foreign companies in the field of the oil sector through the nomination of employees for the courses held by companies both within the ministry or outside the sector to benefit from the experiences owned by these companies and to know the latest methods work And reach him with technology in terms of equipment and machinery used by those companies in the field of drilling and exploration and all that is related to the oil sector, modifying the system of promotion of the ministry, where it guarantees the rights of creative individuals and those with high expertise in order to help them to occupy high positions in line with the volume of skills and

knowledge they possess and thus ensure that the ministry has achieved a part of transparency in this half of the staff on the one hand, Maximum of them by investing their expertise in fields and activities

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