

The Role of Leadership in Strategy Formulation and Implementation

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ABSTRACT: Leadership has significant impact on strategic management process. Especially it helps to determine the vision and mission of the organization. Further, it facilitates the organization to execute effective strategies to achieve that vision. The purpose of this paper is to find out the role of leadership in strategy formulation and implementation by reviewing the existing literature. The study reveals that leadership serves as a link between the soul and the body of an organization. For the successful implementation of strategies, the challenge of leadership is to be strong but not rude, be kind but not weak, be bold but not bully, be thoughtful but not lazy, be humble but not timid, be proud but not arrogant, have humor but without folly. (Jim Rohm). During the strategic management process leadership performs the various roles such as innovator, strategist, care taker, analyst, guide, organizer, motivator, developer, change enabler or change driver, decision maker, collaborator, risk manager, debtor, and evaluator. In the recipe of strategic management process the most important ingredients are leader's responsibility, loyalty, power, motivation, awareness, articulacy (clarity), consistency and reliability.

Keywords: leadership, strategy formulation, strategy implementation,

The method of the enterprising is to plan with audacity and execute with vigor." --Christian Bovey. Leadership is a critical element to formulate and implement the strategy. It is a link that relates the soul of organization with its body (Mathew, 2009). It is the commitment of the leader that drives the organization toward success by making efficient decisions for strategy formation and implementation (Gordon, 2002). Great strategies are nothing if they cannot be implemented perfectly. Less than 50% of formulated strategies get implemented because of lack of leadership skills. Leader is to decide what to do and how to do (Hornsby, 2000). According to WITSEN CHURCHILL "price of greatness is responsibility" so great strategies can only be formulated and implement with every aspect in the organization that ensure effectiveness (William, 1998). It is the obligation of leadership to forecast the need of organization by a careful reality based analysis and try to make effective plans to meet the requirement of change (Maccoby, 2003).

Strategic leadership refers to a set of behavior associated with the creation of organization vision, development of strategies and establishment of a culture for change (Mareen, 1999). Basically strategic leadership provides the vision, direction and the purpose for growth and context for the success of corporation. Strategic leadership tells the people what to do and how to do (Vadim, 2004).

"A leader is one who knows the way, goes the way, and shows the way" (John C. Maxwell). Generally leaders introduce the need for change in the organization by evaluation of organizations internal and external environment. Once they provide the vision the next step is to formulate the road map or strategy to achieve that vision after providing the way next step is to direct the people towards change. To direct people leader can use motivational tools (Collin, 2005&Sami, 2012).

Generically leader in an organization provide the vision, he strategically think and plan, administrate the operational activities. Further it tries to fit organization according to the requirement of situation. Leaders spread energy boost the morale by spirit. It develops the relationships with all the stakeholders. And most importantly it ensure teaching and learning in the organization. Leadership is responsible to direct the subordinates to perform the organizational tasks effectively (Mason, 2011). We can say that strategic leadership is a process that transforms organization into successful organization by proper strategies. It is the responsibility of leadership to motivate and inspire the peoples in the organization to work jointly so that organization's vision can be translated into reality. Mostly in the organizations efficient leaders perform the common tasks in the strategy making and executing process. They develop a strategic vision and mission,

sets goals and objectives, craft the strategies, execute it and then evaluate the performance (James, 2005& Sean, 2005).

The process of strategy formation starts when a leader tries to change the thinking of people. Everyone should clearly understand the need for change & try to reflect flexible behavior for proper strategic planning. Leaders should adopt a realistic approach to identify the strategic gaps so that proper strategies can be formulated (Fairholm, 2009). According to Sophocles "what you cannot enforce, do not command" For effective implementation leaders has to introduce the need of change. That can only be possible by creating such a culture that integrates the strategic and operational activities. Once the culture has developed the whole procedure of strategy formulation and implementation would be easy (Jacob, 2010).

In strategic management leader perform the various roles. It introduces the environment for change. Secondly it creates the leadership team by selecting key players from the organization by breaking down the current hierarchy at third stage it formulate the vision and strategy by the help of a visionary process that clarify the strategy for understanding of whole organization(Moesia, 2007). Then leadership creates an evaluation system that evaluates the strategy at every stage of the work within the organization. Finally it helps to change the culture which facilitates the strategic management (Venohr, 2007).

So, in this paper I will discuss the various roles of leadership in the process of strategy formation & implementation. Such as innovator, strategist, care taker, analyst, guide, organizer, motivator, developer, change enabler or change driver, decision maker. Collaborator, risk manager, debtor, and evaluator (Mackenzie, 2006, Ashim, 2009& Loren, 2008).

Literature Review

Leadership is a set of behavior that enforces the people to formulate the organizational goals and then motivate them to jointly contribute in order to achieve organization's goals. Basically leader plays a vital role in the decision making to ensure efficacy (effectiveness) and success of the organization. A leader should be supportive in order to guide subordinates. He should treat everyone equally without any discrimination. He should appreciate every one's involvement. It is the responsibility of the leader to build strong relationships within the whole organization in both vertically and horizontally. Leader should involve everyone in the strategic management process because it is positively relate with overall performance. It is the commitment of the leader that helps to achieve the strategic vision. Most importantly leaders objectives should be integrate with the organizations strategic goals and objectives to be

champion. And for this leaders power should be use accurately with honesty and loyalty. Leader should have a clear mental approach about the need of change and organization's capabilities. (Sami, Qamar & Khalid, 2011)

Organization's performance depends upon the strategies that use to achieve company's vision. Leadership assimilates the strategy with vision to enrich the capability of the firm to perform well or according to the need. Today's business environment is rapidly changing and mostly leaders try to adopt flexible and process improvement strategies to ensure responsiveness of the organization towards change. Leadership influenced the whole decision making process and decision making is the core of the strategic management process. It facilitates the whole process starting from conceptual framework for strategy formulation and till the evaluation. Especially strategy implementation is fully depends upon efficient decision making. Basically leadership influences three areas of organization first, the vision, Secondly the strategies itself and finally the values. These three components jointly create the culture of the organization. It is the responsibility of the leader to introduce a clear understanding of the vision throughout the organization. Everyone should know where we want to be in future. Vision should be simple so that everyone can easily understand it. Vision is the hub of the organization and is the heart of strategic management process.

Leadership is responsible for development of strategies to achieve the vision. Basically strategy formulation means is to provide road map and this road map should be clear and focused. It is the duty of leadership to relate the strategy process with the vision. It should develop a culture of learning by providing a clear set of values for the organization. Values demonstrate the behavior of the organization and lead the organization towards right. Both vision and strategies should reflect these values. Once the leader understand the importance of values the process of strategy formulation and implementation becomes easy. The most important role of the leadership is to integrate the people with the strategic management process. It should involve everyone to ensure responsiveness towards change. (Jonminerich, 2008)

Leader is a person who possesses a clear vision in his/ her mind and also has the power to manage a team of people that can help to translate vision into reality. Leader is someone who can identify the need of situation and understand what is required now and in future. It is the duty of the leader to provide the instructions or directions to meet the requirements of situation. The most important role of leadership is to determine the goals and formulation of strategies related to those goals. Basically their duty is to make plan and execute them properly and timely. Leadership can be

divided into three proportions such as the vision that describes what to do now and in future? Secondly the strategies that guides how to achieve that vision. Strategies are considered as set of plans or directions required to achieve vision. Strategy formulation and strategy implementation are considered as basic skills of leadership that facilitates change in the organization or simply can restructure the organization according to vision. Finally leadership encourages and stimulates the people in the organization to work efficiently according to vision of the organization. Without the involvement of every one the organizational goals can't be achieved. Most importantly it is the duty of leadership to make right decisions for the organization's sake responsibly because organizations success depends upon decision making (Ashim, 2008).

Strategic leaders makes and execute business plans to get positive outcomes. We can say that strategic leaders are critical for overall success of organization. In an organization leaders perform various roles depends upon situation. As situation are dynamic as the leader's role. Basically leaders provide the vision and set the goals for long run and short run. After determining the vision there intentions shift towards development of plans or towards strategy formulation after that they try to involve every one for building a team to execute the plans. Leaders should ensure their own commitment as well as their subordinates. Then they provide resources and motivate there team to implement strategy. Finally they evaluate the whole process to find the gaps for improvement. Basically there are nine essential roles.

First of all leaders try to identify the key problem situations as soon as possible and work as direction-finder. Secondly they work as strategist in whom it is the duty of leader to analyze the situation and formulate the strategy, which is suitable for goals. Thirdly leader is an entrepreneur, fourthly leader serve as mobilize in the organization. It develops and provides resources for proper execution of strategies. At fifth stage it works as talent promoter and find out or develops the team of key players required for change implementation. Then it serves the organization as captivator and develops a long term commitment of every one towards goals. At seventh stage leaders perform the role of a global thinker and make sure organization's alignment with international and national perspective. Then it performs the duty of a change driver. It creates the environment that is appropriate for change. And finally leader works as organizations custodian and safe guards the stakes of all stake holders. Leader works as a resource investigator and disturbance handler. Whole organizations performance depends upon leadership (Loren and Matthew, 2008)

Strategy is a road map that facilitates to achieve goals of the organization (Paul, 1998) Organizations has to formulate different strategies for different levels of

organization like business level and corporate level etc. there are many hurdles that resist the strategy implementation like communication barriers, placement barriers, resource barriers and most importantly lack of management expertise. Basically leadership works to remove these barriers so that formulated strategies can be implemented efficiently because firm's performance depends upon strategic management process. Strategies must be associated with the organizational goals and should positively influence the objectives & targets should be measurable so that vision and outcomes can be matched. In organization leaders develops the environment for change it firstly unfreezes the organization and then demonstrate the need for change or improvement. Secondly leaders try to build a team that helps to mobilize change within the whole organization both vertically and horizontally. Thirdly its main focus is to give a clear vision to the organization and then formulates the strategies to achieve that vision. Fourthly leadership evaluates the overall process and tries to find flaws. Most importantly it works to change the culture by involving everyone to spread change. It should continuously revise the strategies to be successful in the dynamic environment. (Bernd, 2007)

Leadership is critical to formulate and implement strategy. Formulated strategies are nothing if they could not be implemented efficiently. Leaders generally divide strategy formulation and implementation into five steps. And leadership is an important element for whole process. Firstly leaders are responsible to create vision that must be attached with the firm's values and also vision must be supportive and understandable. Vision tells the strategist about future and values tells about the past. An important task for leadership is to make a distinction between vision and mission. Secondly leaders are responsible to set organizational goals and objectives especially their work is to define long term measurable objectives. Thirdly leaders formulate the strategies that are suitable for the achievement of goals and objectives. Leaders define what would be most appropriate way to cope with situation requirement. Fourthly leaders perform their primary function that is the implementation of the strategy. According to Sophocles "what you cannot enforce, do not command" because strategies are nothing if they can't implemented efficiently and timely.

Leaders construct the culture for change and develop the capabilities for proper implementation of formulated strategy. Leaders should consider every strategy as temporary because environment is dynamic. So leaders should focus at continuous improvement of strategic management process. (James and Green, 2005)

Strategy Formulation vs Strategy Implementation

Before strategy formulation leaders have to identify the need for change by proper care full scanning of environment in which organization exist (Jon, 2008). Environment scanning or situational analysis is the starting point of whole strategic process. In the strategy formulation after changing the understanding of people about change leaders try to find different suitable ways to translate organizations vision into realistic purpose (goals and objectives). In the strategy formulation process leaders sets the objectives then analyze the environment both internal and external. Then fix the targets to be achieved, sets the measures for performance evaluation and finally select or formulate the proper strategy. Strategy formulation is all about planning for future (Chatman, 2010). On the other hand strategy implementation is a process of conversion in which planned strategies are converted into real actions. So that goals and objectives can be achieved (Fouire, 2009 & Norton, 2001)

Role of Leadership in Strategy Formulation and Implementation

Leadership plays a vital role in the formulation and implementation of strategies. It is considered as a link that relates the strategic management process with the organization's vision. It starts up the strategic thinking by providing vision then it establishes a culture in which everyone knows what to do, what are the values of the firm. Basically values provide the direction (Mosia, 2004). It is the duty of leadership to introduce the values or a corporate culture. It is the vision of leader that provides base line for strategy formulation and its commitment ensure the implementation of strategy (Fairholm, 2004). Formulated strategies can't be implemented without the involvement of every one. Everyone should understand the need of change and should contribute their effort to efficiently implement the strategies. And only leadership can inspire and motivate the people to bring change because people always resist change. Leadership works to find out the gaps by carefully scan the environment both internal and external. And develop plans to fill these gaps by implementation of plans (Ascot, 2008). Various roles of leadership are as:

Leader as an innovator: ensure innovation within whole organization is the key task of leadership. It is the duty of leadership to bring innovation in the strategic management process, from strategic thinking to performance evaluation to ensure competitive edge.

Leader as a care taker: leader should be able to look after the whole organization. Leader should care

about every aspect that can ensure the effectiveness in the organization. It should carefully develop and execute strategies because strategies are the stairway towards the vision and mission.

Leader as an analyst: in the strategic management process it is the responsibility of leader to analyze the situation to find the gap between current and desired state. Further it is the duty of leader to formulate the plans to overcome the gaps according to the requirement of situation. Strategies based at the analysis of leaders so we can say that an important task of leadership is to scan the organization's environment carefully.

Leader as an organizer: it is the basic function of leadership to organize or streamline the whole organization's working especially the planning and executing of strategies. Because once they organize the system the change management is no more difficult. Leaders cannot lead efficiently till they can't organize. Leader should work as a controller.

Leader as a guide: leaders are responsible to provide strategic direction to the organization. They show the way to followers and tells them what to do and how to do. It provides the guide lines to achieve the strategic vision, and work as a role model for others. It finds the way for others to move towards strategic mgt.

Leader as strategist: it is the vision of the leader that provides the purpose of existence to organization. It is the leadership that enables the organization to achieve its goals by formulating and implementing the effective strategies.

Leader as a motivator: strategies are nothing if they can't get implemented efficiently. And it is the responsibility of leadership to motivate the subordinates to understand the need of strategic change and make it possible to achieve the desired state, because without motivation people's involvement is less effective.

Leader as a developer: leaders play an important role to develop the structure or culture of the organization. It is the key role of leader to develop a culture in the organization that matches with the organizations objectives. As we know human resource is the most important asset of organization so leadership is responsible to make a team of key players that helps to implement the strategies. Further it is the responsibility of leadership to provide the required resources to be capable as per need. Competitive strategies are purely based at capabilities of leadership.

Leader as a change enabler/ change driver: the basic role of leadership is to facilitate the strategic change process in the organization (Steven, 1998). It is only the leadership that can stimulate the organization to achieve the goals by following formulated plans. Mostly people hates the change and do not like to move from status quo. In this situation leadership help to create the environment that is feasible to change. It is the duty of

leadership to identify the need of change then establish the culture and formulate strategies for change management. So we can say that whole process of change management is worthless without the involvement of leadership because leaders are considered as change agents. The leaders who successfully implement the change are called the strategic change champions.

Leader as a decision maker: Leaders make decisions that help to achieve vision so the most important role of leadership is to make decisions. Leaders are responsible for proper functioning of the organization. So they have to decide what to do, how to do and by whom. Whole strategic management process depends upon the decision making of leader. Leaders decide how to achieve goals. What type of strategies should be and how they should implement.

Leader as a collaborator/ ally/ aligner: leadership provides the basis for strategy formulation. And to implement the strategies efficiently there is a need of resource collaboration. It is the responsibility of leader is to provide all the required resources. To fulfill the demand of organization leaders have to collaborate with other. They make alliances with other organizations. The key task they perform is to create networks that align the organization with environment both internal and external, also locally and globally.

Leader as a debtor: in an organization it is the responsibility of leader to ensure effectiveness of strategies by proper implementation. So leaders are considered as debtors in the process of strategic management. If they don't consider responsibility of strategy formulation and implementation as debt they can't be successful.

Leader as a risk analyst: leaders scan the environment to identify the key opportunities so it knows what are the risks and returns of a particular change. And as a decision maker it formulates the strategies by evaluating the risks. Leader knows what would be favorable strategy according to this analysis. And what should be the best measure to manage the risk. Leader performs the role of a disturbance handler by analyzing the risks involved in the strategy implementation.

Leader as an evaluator: performance evaluation is the most important task of strategic management process, and to execute this task leader performs the role of an evaluator. Generally evaluation describes that how well the strategies are formulated and executed and what are the remaining gaps that need the concentration of leader to be fulfill. Basically evaluation provides the basis for continues improvement in the strategic mgt. it facilitates to revise strategies according to need of situation. It not only evaluates the organization's strategic process but also the performance of people to

ensure effectiveness of rewards and punishment systems.

Conclusion

Leadership is all about responsibility. Responsible leadership ensures the effectiveness of strategic management process. It provides the base line for strategic thinking and by providing vision it directs the organization towards strategy formulation. In the strategy formulation process it tries to align the organization with the required change of environment. Then its attention shifts towards the strategy implementation. In which leadership's main focus is to achieve the vision by execution of formulated strategies. The most important task of leadership is to align its vision with the organization's goals and objectives so that organization can compete with dynamic environment efficiently and too trained and motivates the people to achieve the vision. At the end leadership has to evaluate the whole process to make sure the efficiency of whole process, this will help to find out the flaws as well as helps to refresh the strategies according to change. Further this evaluation facilitates the continuous improvement in the organization. We can say that leadership is the hub of the organization and it should serve as the blood and brain so that fruits of the success can be ensures and be shared. High sentiments always win in the end, the leaders who offer blood, toil tears, and sweat always get more out of their followers then those who offer safety and good times when it comes to the pinch, human being are heroic. (George Orwell)

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